

THE  
TROUBLED EARTH  
SUMMIT IN RIO

# Maclean's

THE BATTERED CROWN

## DIANA'S STORY



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## COVER

### DIANA'S STORY

New revelations in Britain painted a sad portrait of a queen-in-waiting: Diana, the reigning media superstar of the Royal Family, reportedly tried to kill herself more than once in despair over the state of her marriage to Prince Charles. That and other published details left the House of Windsor reeling from the latest, and perhaps gravest, in a series of recent royal scandals. The royal troubles also raise questions about the Crown in Canada. — 36



## ENVIRONMENT

### TO SAVE THE EARTH

The huge 12-day Earth Summit, which began in Rio de Janeiro last week, encountered major disruptions almost immediately. This week, representatives from 170 countries, including Canada, will try to hammer out an accord on past and future pay for the hefty goal of environmental reform. — 40



## BUSINESS

### PATRIARCH AT BAY

Close associates of Paul Reubens say that he has sustained intense public scrutiny and his diminished role at Olympia & York will. They attribute much of his animosity to his Orthodox Jewish faith and the strong ties that bind him to his two brothers and other family members. — 34



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# Royal feet of clay

In the end, and despite controversy now swirling around the Prince and Princess of Wales, the heir to the British Crown and his wife, the real danger is less to the monarchy itself, a sturdy institution indeed, than to the continued existence of the Commonwealth and its constitutional moorings, including Canada. Already, the Commonwealth is a shadow of its former self. When Queen Elizabeth II succeeded to the throne in 1952, she ruled over a vast Empire and Commonwealth. Now, she is official head of state in only 17 lands—and Australia is threatening to reduce that number to 16 in short order.

When the monarchy symbolizes such values as courage, fair play, wisdom, religious devotion and close family relationships, it too is an important role in defining the nation of Canada and the other Commonwealth members that accept the monarch as their Queen. But in the space of only a couple of years, that image has been badly tarnished. The monarch's younger son, Prince Andrew, separated from the Duchess of York in preparation for a divorce. Their last daughter, Anne, the Princess Royal, divorced Mark Phillips. Now, at least two new books detail the reigns of Diana, Princess of Wales, over her strained relationship with an apparently distant and uncaring Prince Charles—even to the point of trying to kill herself—and their close relationships with members of the opposite sex.

In Canada, the many details of the Royal Family's private lives are almost certain to keep the issue close ties to the monarchy. And that has greater significance for Canadians.

A constitutional system of constitutional democracy has always formed the bedrock on which English Canada, at least, has built a distinct identity for itself in North America. If that spirit and the Commonwealth itself waver, establishing a republican Canada while still retaining a distinctive status on the continent will be a tricky business, at best. But then, with so many traditional institutions in jeopardy, why should the monarchy have been expected to escape?

*Kevin Walsh*



Cover writer Andrew Phillips: why should the monarchy have been expected to escape?

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Canada's Weekly Newsmagazine

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## BACARDI STANDS OUT IN THE DARK.



SAVOUR THE EXCEPTIONALLY SMOOTH TASTE OF THE CARIBBEAN. BACARDI DARK RUM.

Publisher: James E. Macdonald

## Saving the planet

Canada has much to contribute to the Earth Summit in Rio de Janeiro and to all future environmental initiatives ("Showdown at the Rio summit," Special Report, May 25). We can continue advancing significant policies to slow environmental degradation—for one thing, our strongest targets for reducing carbon dioxide emissions and for eliminating the production of ozone-depleting chemicals overseas. Our country can use its strong global reputation to exert pressure on nations that are hesitant to take meaningful action, most notably the United States, one of the greatest contributors to global pollution. Canada certainly has the means to be a leader in cleaning up and preserving the environment. What we need now is the will.

Richard Schwartz  
Mississauga, Ont.

The editorial for "Showdown at the Rio summit" reads, "The obstacles are daunting. The obstacles are daunting indeed in view of world leaders' elaborate reluctance to address the most threatening problem of all—overpopulation." As the current rate of population growth, say nothing to protect the earth's environment will be smoothed by well-to-do people.

Mary Lefkowitz  
Don Mills, Ont.

In "Showdown at the Rio summit," the image of Canada's representative, Arthur Cossens, is considerably more gloomy as if it were a toy dog not suggest a depth of responsible action. Likely it was the photographer who suggested this pose. But I cannot imagine a person who thinks with his own mind, actually doing it.

Sharon Wilson  
Vancouver

I applauded Maclean's when it published "The sun's killing rays" (Cover, June 13, 1988). Four years later, you follow up with the May 25 special report "Summer coverage." However, saying that "some signs of progress are probably better than none at all" is a first way of telling your readers that the sun kills and everyone is a target. This is an issue of living and dying. Spreading the truth about the dangers of the sun should fall not only on the unacknowledged shoulders of medical practitioners and those of us with melanoma, but also on the broadest shoulders of parents like Maclean's. As you did four years ago, please focus this issue on those I cannot get to.

Bernard Harter  
London, Ont.



Rio de Janeiro. 'Canada has the means to be a leader. What we need is the will.'

## No 'simple answers'

Your article "What causes AIDS?" (Health, May 25) reaffirms the public's (and some scientists') demand for simple answers to complex medical problems. Whatever the mechanisms by which human immunodeficiency virus triggers AIDS, it is irresponsible to suggest that there is no connection. The battle against AIDS is difficult as it is, and it is dangerous to wander from the main fact that almost all AIDS patients have AIDS. The type of distraction offered by some of the people speaking in your article can compromise the efforts of thousands of scientists dedicated to the cause of controlling and curing the impending calamity.

Dr. Tuli W. Aluk  
Mol. Cellular and Molecular Biology  
Ontario Cancer Institute  
Toronto

## Courage and confusion

In "Why Canada's school system is color-blind" (Column, May 25), Diane Francis confuses the effects of poverty with being black. The dropout rate for all students, regardless of race, in our inner-city schools is unacceptably high. I have witnessed the courage of hundreds of children who come to school eager to learn in spite of these problems—being hungry, having been thrown against a wall the night before, worrying about the dangers of the bus should fall not only on the unacknowledged shoulders of medical practitioners and those of us with melanoma, but also on the broadest shoulders of parents like Maclean's. As you did four years ago, please focus this issue on those I cannot get to.

Julia Clarke  
Toronto

Commenting on the Toronto note, Diane Francis correctly points out the reasonable capacity of opportunity for young blacks in our education system, and Mr. Howard McCurdy confirmed that "stable working-middle- and upper-class lives" can be attained in black communities ("What, race and power," Letters, June 1). I hope that McCurdy and other community leaders can convince young blacks to focus their energy on acquiring knowledge and skills instead of creating a scary new negative stereotype of themselves.

J. Z. Saks  
Vancouver

## Help for the kids

I would like to clarify a statement that appeared in "Hungry kids" (Opening Pages, May 25). As part of "Brighter Futures," the federal strategy for children, the child tax benefit, which was proposed in the 1993 budget, does not consist of selective child tax credits. Rather, it is meant to simplify the current system by combining the existing family allowances, the refundable Child Tax Credit and the nonrefundable Dependent Child Tax Credit into a single monthly payment. This payment will be noticeable. In total, the proposed child tax benefit will provide an increase of \$2.1 billion in federal support for children and families over the next five years. The Child Development Initiative, announced in May 4, builds on the proposed child tax benefit and, we hope, will assist children across this country.

Scott Brundland  
Minister of National Health and Welfare,  
Ottawa

Letters may be condensed. Please include name, address and daytime telephone number. Brief Letters in the Editor's Selections require: Michael Maclean (416), 777 Bay St., Toronto. Or NEW LAY OF (416) 593-7777.

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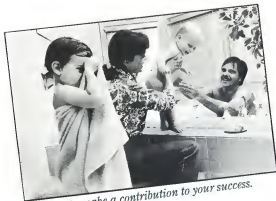
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# OPENING NOTES

Robbery without guns, a sailor's Moscow coup and a rare screen team

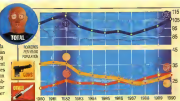
## A TOP HAT IN THE NHL RING



Two months ago, when the Toronto-based *Financial Post* was furiously courting Canada's top copy to Washington to take the job of publisher, a friend of ombudsman Derek Burry said that what the diplomat really wanted was a hockey guy for the ringmaster's Maple Leaf Gardens. Now, the word from the same source is that Burry would jump at the NHL presidency if it opens up after the league's team owners settle with John Ziegler's bid at a Montreal meeting on June 20. Burry, who discussed his future options and hopes with *Times Magazine* during the Prime Minister's recent Washington visit, once starred in *Top Gun*—he is an ex-lead of the Washington Capitals. Spoken for: for several years, he was declared equivalent before the Montreal meeting. But, and writer L. Ian MacDonald, a former Burry colleague in *Maloney's* of *Life*, "He'd be a lifetime acquisition for the NHL—he knows labor issues, he knows management issues, he knows better than anyone and he's on outstanding pay."

## ROBBERY, GUNS AND RECESSION

Robberies, which hit a 1980s high point in Canada during the last recession (27,257 in 1982), rose again with the onset of the current slump (23,111 in 1994) but the use of firearms in robbery fell with enforcement of a 1978 gun-control law, to 26 per cent of all robberies in 1990 from 25 per cent in 1980. Data from the Canadian Centre for Justice Statistics show the shifting rate of robberies per 100,000 population, a declining trend for firearms use and a recent rise in the use of such other weapons as knives and clubs.



## A BARON DEFEATS A QUEEN



Newspaper baron Conrad Black returns to words when discussing the sometimes used by his latest acquisition target, the *New York Daily News*. "Their coverage of Ronald Reagan, for example, was absolutely outrageous," Black told *Maclean's*, referring to the wife of a hitler who advertised herself as the hotel group's "queen." When Black was contacted at his home in 1988 (he is serving a five-year prison sentence) the tabloid *New* splashed such headlines as "Deflowered" and "Rin the hit queen's perquisite, maybe?"

Said Black, "I thought it was in poor taste, [but] it wasn't defamatory under U.S. law."

Black, who has been held partially responsible for a point of view in Canada by his own press, has been accused of being a closet anti-semitic.



The attacks, which led to "just keep going along this road" the *Garden Ring Road*. He says that he still wonders how long it took the hapless (and inept) officer to realize that his tanks were roaming along a route that circles the city's heart—at a constant radius of about three kilometers from the Kremlin.

## P'tit Jean's job hunt

Federal Liberal party leader Jean Chrétien, taking his turn at an anniversary dinner with 80 former volunteers in doing what their job was, 80 years after graduation from the *Séminaire de Trois-Rivières*. "I applied for a job two years ago and I should know it about a year whether I get it."

## A cross-Canada alliance

It is an unlikely cultural alliance—Montreal filmmaker Denis Aron working with Edmonton-based playwright Brad Fraser. Hoping others from U.S. and English-Canadian movie-makers, Fraser chose Aron to make a movie of his last play, *Unsettled* (about the American and the *True Nature of Us*), for his first English-language film.

Here, asked Fraser to adapt the play for the screen. But when the director of *The Death of the American Empire* (1984) and *James of Montreal* (1988) read the first draft, he was shocked.

Fraser had shifted the play's semi-killer subplot to the long-lost and, finally, Aron.

"There was a lot more going on in the play," Fraser says that his

frail but portrayed "excessively graphic gay and lesbian scenes—just about every kind of sex you can imagine."

Now, Fraser has a script ready for filming in Edmonton in the fall—three months later, and with the local audience level down.



Aron (left), Fraser "extremely graphic"

Board for a 1988 posting after two years in mail attacks at Canada's Moscow embassy. Circle: Richard Williams now teaches in the faculty of history during last month's political coup. As the crime unfolded on Nov. 18, Williams was mostly mapping positions of counter-supporting tanks entering Moscow when a column of T-68 tanks rolled in for a short battle in the south beside his home. After a "big, unexpected" war, Williams was a co-ordinator of anti-communist war against pedestrians for the route to the Kremlin, the officer "came and asked me for directions," says Williams, who was in the crowd.



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## PASSAGES



**DEED:** Internationally acclaimed author Adele Wiseman, 84, winner of the Governor General Award for fiction for her 1956 first novel, *The Accidental*, of course, at her home in Toronto. Wiseman was born in Winnipeg and later lived across the street from another author and actor, Margaret Laurence. Wiseman's work included the novel *Crucible*, a musician novel called *Old Woman*, a play, *Tramway Down*, and *King and the Crochets*, a children's book. Most recently she won the Best Canadian creative writing prize.

**DIED:** Actor Robert Morley, 84, following a stroke, in a hospital near London. Although he appeared in 50 movies, including *The African Queen* (1951) and *Talk a Little* (1953), Morley considered the theatre his home. His portrayal of Alexandre Dumas in *The Great Expectations* in 1952 brought him to Hollywood's attention. In 1957, Queen Elizabeth II made him a commander of the Order of the British Empire.

**DIED:** William Gaines, 70, founder (in 1952) and publisher of *Mad magazine*, in his sleep at his home in Manhattan. No cause of death was announced. The satirical magazine was best known for its trademark "What—no war?" catchphrase and its misanthropic, freckle-faced Alfred E. Neuman.

**APPOINTED:** To Quebec's writer Roch Carrier, 55, the Stephen Leacock Medal of Honor for his 1990 book, *Proven's a Very Wise Child*. The 45th winner of the award, he received a silver medal and \$3,500.

Last month, Carrier was awarded the Order of Canada.

**RETIRED:** Justice William Stevenson, 55, from the Supreme Court of Canada, as a result of unspecified ill health.

Former Justice Minister Kim Campbell said that Stevenson, who was appointed to the court less than two years ago, would retire immediately.

**AWARDED:** To Maria Lemire, 25, captain of the Stanley Cup-winning Pittsburgh Penguins, the Conn Smythe Trophy as the most valuable player in the National Hockey League playoffs. It was Pittsburgh's second consecutive Cup victory, and Lemire's second consecutive Conn Smythe.

**BORN:** To former baseball pitcher Earvin (Jackie) Robinson, 32, and his wife, Earline, 32, a boy, Earvin Robinson III, at a Los Angeles hospital. Johnson, who was the Los Angeles *Times* leading player for 12 years, announced last November that he was retiring because he has the virus that causes AIDS.

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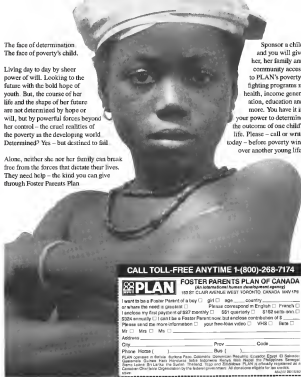
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# Determined.

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## COLUMN



## Euro-problems haunt Germans most of all

BY BARBARA AMIEL

In Munich, I made an unimpressive debut on the Peter Gosselin morning radio show. Germanically, one starts off as a thought in the wrong direction and never gets back on the way. Still, some signposts have silver linings. During the interview, Gosselin asked me about the resurgence of extreme right-wing groups in Germany. "Are you neo-conservatives," he asked, "going to be negligent in considering them as you were in considering communism?"

The question has a resonance for those of us who are Jews. With the fall of communism, Germany becomes the dominant power in Eastern Europe, where a community estimated at between three and five million Jews lives. Germany has been a model democracy for the past 45 years, and its leadership has shown a pragmatic humanism. Here, I wondered, as Gosselin posed his question, does the resurgence of extreme right-wing parties fit into this tradition?

A prominent German Social Democrat speaking at a recent session on railroads at the left and right cordially summed up the situation this way: the neo-Nazi parties in Germany have a small membership, but the organization and, unlike the States, no system of political thought. Most of the speeches, he continued, are as poorly educated that they could not comprehend a political vocabulary if it existed.

That doesn't make them less dangerous. In October, skinheads burned houses for foreigners in Rostock. But what fears them, I believe, is related to the same feelings that fuelled the civilised, literate and decent people of Denmark to say "no" to ratification of the Maastricht treaty last week. It is the perfectly legitimate desire to be sovereign over one's own culture and country.

Two separate problems haunt all of Europe and they haunt Germany most of all: the problem of refugees and the problem of immigration. When communism collapsed, it left two consequences: chaos broke out in such countries as Yugoslavia and the newly created refugees

*Germany was responsible for great human wrongs and has spent a great deal of national energy doing penance*

fled. At the same time, hard economic times in the old U.S.S.R. led to increased immigration queries. Berlin is the Ellis Island of the East. Germany says the highest standards and has the most generous legislation for immigrants. What gives Germans the willies is that they no longer have the Berlin Wall to act as a barrier to the East. Ninety per cent of asylum-seekers go to Germany through Poland, Czechoslovakia and Austria.

The problem is made worse by Germany's historical memory. Post-war Germany is in one way something like the post-slavery United States. Both countries were responsible for great human wrongs at one point in their histories and both countries have spent a great deal of national energy doing penance. Germans have an intense pride in their constitution and particularly Article 16, which guarantees asylum to constitutional refugees. Anyone who enters the magic words "I want asylum" to the German authorities is granted food and shelter and is entitled to certain administrative procedures. "We can't expatriate," a German law professor told me, "a Germany which, given what happened under the Third Reich, turned away a single distressed person seeking refuge."

The result is that about 90 per cent of the

refugees of Germany's civil courts are taken up with hearing asylum cases, which can take up to seven years to settle – by which time the asylum-seekers may have married, had children and possibly established themselves. The difficulties that create are evident. The German economy is straining to cover the cost of resettlement. Ever since Willy Brandt's success in easing relations with Eastern Europe, Germany has also contributed vast sums of money to the East in attempts to lay back citizens of German extraction as well as to encourage reform movements in Hungary, Czechoslovakia and Poland.

Germany, like America, can look to its contribution to the leveling of countries with some pride, but its citizens who are finding this brave new world are feeling the economic pinch. And when they look around them, what stands out is the presence of groups of foreign people in Germany who don't seem to react to the beauty of the country. Complicating the issue is an acute shortage of housing, which seems to discriminate against Germans in favor of asylum-seekers.

Previously because of its historical memory, Germany's major political parties have been hampered in addressing these problems. They emerge from the confusion of being elected but that could be perceived as ambiguous or discriminatory and, as a result, the necessary national debate over policies to correct the immigration and asylum situation has not taken place. Under such circumstances, either the people don't vote, turnout is extremely low (even usually low) or they turn to the extremes.

The situation will be solved in part by the economic strength of Germany and by the major parties facing up to the need to pass uncomfortable policies to firm resolutions. Do not ask me how to help them. But you can accuse the fathers of being selected by the philosophy of the Third Reich. But last week, the Bundestag decided to strengthen national control over foreign, economic and, most especially, immigration policy under 90 rules, any foreigner entering in the country who has spent two years in one member country can move and work in any other member country.

What modern democracies have to do is understand that citizens who take pride in the national character of their own countries and who resent large waves of groups of immigrants and foreigners are not people. Tolerance is part of the human condition. Taking refuge at programs of "education" and "reconciliation" to name it is to take refuge in particular tactics. Immigration is vital to the success of modern industrialized countries – it brings new blood, labor and vitality to a country. But it has to be done at a speed that allows assimilation.

If the mainstream political parties can face up to those issues, the neo-Nazis will be of no account. There is nothing evil in today's Germany – on the contrary – is a country with enormous spiritual and moral reserves. The Germans have not forgotten the consequences of chaos. Ironically, it is the country of them that makes its political leaders temporarily selfless.





premier to mass Ottawa's self-imposed June 1 deadline for a federal proposal—and Ottawa is the backdrop for a political and social scene to witness extraordinary differences.

As well, Clark has brought an appreciable difference in style to the surprising cable. Although the talks are now tension-packed, previous sessions have felt tense and more relaxed, and even congenial. Said one senior federal official: "There has been a real bonding process developed, which would not have happened with every minister. The great sense of integrity that Clark conveys has allowed both the public and the participants to realize a shared-view process they might otherwise have rejected it." The only asterisk qualified that reputation throughout the five constitutional conferences last winter—was his participation in workshops to curdle conversations with participants. And Roman, whose restrictive co-organized state of the conferees, "Joe doesn't let other people to reason together."

A well-known speaker, Clark has also managed to elevate the standards of constitutional oratory. A former journalist with *The Canadian Press* news agency, he is known to work for hours revising his editorial only texts, written in large part by Ottawa speech writer Lawrence Hagan. Advances say that Clark enjoys polishing the great oral plucking obscure but relevant nuggets from history books. That attention to detail and strategic awareness has impressed Ottawa Premier Bob Rae, for one. "He is not perfect," Rae told *Maclean's*. "He occasionally loses his temper. But he consistently has the sense of wanting to reach a compromise as what keeps people together."

Those attributes have earned the support of groups historically antagonistic to the fringes of the constitutional debate. Clark is credited by some and territorial leaders—and endorsed by some critics—in the quiet force behind the

decision to accede to most of the stress on the strong and greater. It was a calculated move on Clark's part, backed by public opinion and approved by cabinet. But some observers note that Clark has gone beyond the call of duty. Bob George, leader of the Metis Council of Canada, said that the minister's personal interven-

#### Bouchard: evidence of a healthy ego



tion on May 30 enabled non-status natives to win tentative agreement to equal access to self-government negotiations. Said George: "Clark helped us with people who were previously on the fence."

Although Clark appears to have made peace with native groups, many obstacles remain in the way of the constitutional package that he claims is 90 per cent complete. In back-to-back meetings with federal officials, Clark last week assured the work needed to resolve the four major issues still left on the week's agenda. Senate reform, some details of the division of power between Ottawa and the provinces, economic union, and Quebec's demand for a constitutional veto. Although advances said that Clark made no calls last week to Bouchard, Quebec, because of its absence from negotiations, continues to be a troublesome wild card. Said one observer: "It gets Clark that it is doubtful Quebec can be lured to his table before Mulroney steps in to take over." He added: "As one of the most popular federal figures in Quebec, it is a matter of personal pride for Joe, but he's much too cagey not to appreciate why Quebec has stayed away."

At the same time, close friends say that the stress of the last 12 months has left Clark almost exhausted. Last month, he publicly noted that after 20 years as an *Alberta* MP, and with the Reform Party of Canada prepared to mount a strong challenge for his "lifelong" riding, he was concerned of his political plans. Despite the internal signs of fatigue, to consider reclaiming the country's top job should Mulroney decide to step down, Clark insists that he is too preoccupied with the present struggle to consider his own future. But during the past year, the fortunes of both the man and his country have closely become inextricably entwined.

E. KATE FULTON in Ottawa

## 'I REALLY TRIED TO BE OBJECTIVE'

Few people have been as intimately involved with Brian Mulroney's political highs and lows as Jacques Bouchard. It was the outspoken Quebec nationalist, a friend of Mulroney's since their days at Laval University in the early 1960s, who crafted Mulroney's now-famous 1984 election campaign speech in Sept.-Oct., in which he called for constitutional negotiations between Quebec and the rest of Canada. And it was Bouchard who angrily resigned from Mulroney's Conservative cabinet in 1990 and founded the separatist Bloc Québécois after the Premier Minister appeared willing to soften the *Meech Lake* constitutional accord, which proclaimed Quebec a distinct society. In light of that history and to a long friendship, political observers held their breath last week as Bouchard, 58, released

his first book, an autobiography entitled *A range of views* ("Un profil"). But the book, a combination of Bouchard's personal recollections rather than a political blockbuster, failed to create the widely anticipated sensation. Still Bouchard at his book launch at Ottawa: "I did not want to come just for myself. I felt not sure of the most suitable circumstances I really tried to be objective."

Still, even Bouchard acknowledged that he wrote the 377-page book—at the moment available only in French—out of the "purely egotistical need to express my own feelings." And although he claimed that he tried to be as honest as possible in his self-portrait, his bookish ego is evident throughout. At one point, he describes with obvious relish an occasion when Mulroney introduced him to Premier René Lévesque and his wife, Nancy, in "Lucien Bouchard, the most elegant French-Canadian I know." But the book contains touchingly candid moments as well. Bouchard accounts the humiliation of campaigning in the 1966 Lac-Saint-Jean by-election, after Mulroney

had encouraged him to enter federal politics, when he discovered that few voters knew who he was, or even that the company was so. As for his two-year tenure as a federal MP, all it served as the catalyst, instead acknowledging that he had only one ambition, to further Quebec's goals.

Like Bouchard's speeches, the book is entertaining and well-written. Still, it is disappointing. There is little that has not already been discussed about the long-running book with Mulroney (the two men are still not on speaking terms). And Quebecers seeking advice on their political future find one of their most popular politicians may also feel let down. Said Bouchard: "People might have expected a political manifesto—like René Lévesque's—but I felt more comfortable reviewing the steps that led me to where I am now." That decision has clearly occurred a healthy sign of relief in Tory political circles.

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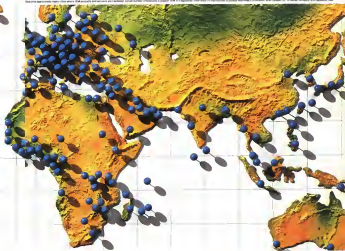
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# The agony of Martensville

A small town confronts an ugly sex scandal

The neighborhood rumors began last fall. Then, last week, for residents of Martensville, Sask., they became real. Authorities laid scores of charges, including physical and sexual abuse, against nine people—four of them already being proven charges. The alleged victims were more than 30 local children between the ages of 2 and 15. Adding to Martensville's demoralization was the fact that most of those tormented had been in possession of trust and authority. Charged were Ronald Sterling, 44, a former assistant deputy director at the Saskatchewan Correctional Centre, and his wife, Linda, also 44, who both managed an unlicensed babysitting service in the basement of their Martensville home. Also charged the Sterlings' son, Travis, 23, (Darryl Ford and Ed Rensen, both former police chiefs in the quiet bedroom community of 2,600 people, 15 km north of Saskatoon, James Blaisdell, a suspended Martensville police officer, Barry Schwan, a senior officer from nearby Warman, Saskatoon police Cpl. John Popowich, and a young woman who cannot be named under the Young Offenders Act. As the shock spread beyond Martensville and across the country, local residents expressed their outrage. Said one woman: "It makes me wonder about the police—all of them."

The outrage helped behind the quiet exterior of the town in part of an emerging pattern in both Canada and the United States. Among recent cases, more than 30 people in Prescott, Ont., have been charged since February, 1990, with 150 counts of abuse against children in April, the owner of a day-care centre in Vancouver was sentenced to 10 consecutive life sentences after his conviction on 98 counts of sexual assault involving 12 children. But last week's disclosures in Martensville were particularly grotesque. According to one charge, a boy was dragged, almost unconscious with a pillowcase and beaten with an axe handle. And Martensville Police Chief Michael Johnston said that the scene is investigating "residual aspects that may be satanic."

Some children were allegedly kept in cages, others forced to engage in sexual acts at gunpoint—and told that their parents would be harmed if they spoke about their experiences. All of the abuse allegedly occurred at the Sterlings' babysitting centre and at a nearby farm. Said Martensville Mayor Rob Priesen during an emotional meeting with about 90



Popowich in police van, the Sterlings' home (below) shook



townspeople. "It's hard to believe this morning that there will be a better day—but I assure you there will be. We have to start a healing process. The good news is that we've caught something—and we're going to deal with it."

As Martensville residents struggled to come to terms with the scandal, some of them expressed relief that their own children had escaped Brenda Roddepp, a mother of two, said that she had almost sent her youngest daughter to the Sterlings' babysitting facility—which closed in January after authorities laid 25 charges against the Sterlings and their son (Priesen charges were also laid against Elaine in April) said Roddepp. They were recommended to be by somebody, but I never did call—I found somebody else. It's scary to think about—it was a very close call."

Others wondered how to explain the situation to their children. And many acknowledged that the charges had shaken their faith in their

community. "Who are my children supposed to trust?" asked one woman. "I haven't talked to them yet, but I'm going to have to. They'll be asking questions."

The issue of trust clearly occupied Chief Johnston, a 25-year veteran of the RCMP. Johnston, who said that the investigation into the case had lasted about nine months, added that he would work hard to regain the town's confidence. But he acknowledged "It will be difficult. The only way you can deal with it is to be up front with the people you're dealing with. We're going to be truthful and keep people informed and do the job they expect us to do."

Others, meanwhile, said that Martensville residents may need psychological help dealing with the trauma. Joseph Zolnowski, director of education for the area school division, said that schools may screen open this summer to help children deal with their confusion and shock. "This is not a normal situation," he said. "The reality of this issue is just starting." Cautious for the alleged victims and their families will also be provided by the Saskatchewan NDP government's social services and health departments. Added Social Services Minister James MacKinnon: "We are prepared to provide the community with more general support, as needed, to respond to the fear that is being expressed."

For his part, William Neudorf, the Conservative MLA who represents Martensville, said that the town's problems are widespread. "I can sympathize with Martensville and I can put it in a provincial perspective," declared Neudorf, who served as social services minister in Saskatchewan's previous Tory government. "They are not alone because this type of abuse is pervasive. If they know they are not alone, that it might make it a little easier to deal with."

Martensville residents will need all the assistance available in the weeks ahead. But Johnston, for one, said that the investigation, which involves both Martensville and Saskatoon police as well as the RCMP, is continuing—and any results in further charges against other individuals. "We keep getting disclosures from kids as we go along," he said. Last week, as Martensville struggled to pick up the pieces, the officers among many residents was that the agony may still not be over.

PIETER KOPPELLEN with DALE KISLER in Regina and correspondents reports



# Fair Dinkum\* Australia.



\*fair dinkum/—Colloq.—adj. 1: true, genuine, dinkum are you fair dinkum?—interj. 2: assertion of truth or genuineness it's true, mate, fair dinkum! 3: Come have a fair dinkum great time in Australia.

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**Australia**  
Come and say G'day

# THE PRICE OF WAR

Losses for gasoline spiked around city blocks, angry commuters weaved for hours that never arrived and desperate shoppers hoarded food. Markets along a neighboring Croatia and Bosnia-Herzegovina border began to feel the buoyancy of Yugoslavia's reform was for the first time. Isolated by a United Nations oil trade embargo imposed in May 1993, Serbians inside and outside the country were angry and paranoid. "Imagine getting up one morning and finding your life has been seized, that there is no point in planning for more than a day or two in advance," said Udograde fish-monger Srdjan Suput. Other residents of the Serbian capital were even more pessimistic: "What could the bombing when it is going to start" asked a young mother, referring to recent unannounced attacks on the capital. US aircraft are flying over a military strike on the scale of the allied effort against Iraq. "I mean, this is not Bushland, is it?"

The UN sanctions against Serbia and Montenegro, the two republics that proclaimed a new, truncated Federal Republic of Yugoslavia on April 27, were aimed at stopping Serbia's support for the Bosnian Serbs. But experts say that the sanctions, including an oil embargo, a freeze on foreign assets and a ban on trade, air and space links, will seriously undermine the economy of the new Yugoslav state. And as outside pressure increased, 50,000 demonstrators in Belgrade protested against the UN action. In the response of the Serbian government, the president, Slobodan Milosevic, Serbia's support for the Bosnian Serbs was reaffirmed. Although many Serbs support their embattled leader and still argue strongly that the United Nations—Croatian military involvement in Bosnia, they say, has gone unopposed—they express shock at the carnage in the Bosnian capital of Sarajevo and urge at least some government for failing to assist the war-torn country.

Last week, Serbian opposition leaders, headed by Vuk Draskovic, stepped up the pressure on Milosevic by announcing a series of street protests later this month. Draskovic maintains that the departure of Milosevic, 58, president since 1989 and Serbia's Communist party chief for three years, better than could open the way for a cooling of tensions in the former Yugoslav

**SERBIA BECOMES  
A PARIAH AS THE  
UNITED NATIONS  
USES SANCTIONS  
IN RESPONSE TO  
ETHNIC FIGHTING**

regimes. "Peace is not possible with those associated with this bloody war," said Deraskovitch. "They came from the past and should return to it."

The pressure on Milosevic came from as far away as Ottawa, where Yugoslav-born Ambassador to Canada Ristomir Jovic, a native of besieged Sarajevo, resigned in protest after urging the president to step down. And Western diplomats in Belgrade warned that war could mean full control to Serbia if the Milosevic regime remains intransigent in the face of mounting opposition. They said that conflict in Serbia, particularly with the ethnic Albanian majority in southern Kosovo province, where Serbia has



helping Serbs outside the republic"—a reference to Serbian minorities in breakaway Croatia and Bosnia. And he again denied that his government was supporting the fighting in Bosnia, claiming information from an unlikely source: UN Secretary General Boutros Boutros-Ghali. In a report released last week after sanctions were imposed, Boutros-Ghali



War damage in Mostar, Bosnia-Herzegovina; Minivsek (below) a powder keg

referred to Serbian irregular forces in Bosnia, who are battling separatist Croats and Muslims, as "independent actors."

Indeed, Belgrade officials assert that Serbian military officials have rebuffed their repeated appeals for a truce. Not many analysts expressed skepticism. They say that Milosevic and other nationalists still harbor a dream of a Greater Serbia, including territory as distant as Kosovo.



devastating effects to come. The embargo is the latest blow to an economy that has been devastated for decades under Communist rule and ravaged by recent ethnic fighting. Over the past 18 months, the secessions of Slovenia, Croatia, Macedonia and Bosnia-Herzegovina have stripped Serbia of its closest trading partners. Monthly inflation hit a record 82 per cent in April, industrial output is down 25 per cent compared with a year ago and exports have evaporated. The 170 oil bars and

Further exacerbates the situation because Yagdeviya produces just 25 per cent of the oil it uses. Sent Bala Jeyaretno, the country's minister for foreign economic relations, "Some sectors of the economy will come to a complete standstill, and the entire economy will be forced out to collapse."

dearest emotions among sports-loving Serbians. Yugoslavia's soccer team had been scheduled to compete this week at the European Championships in Sweden. And its basketball team, which won a silver medal at the 1988 Olympics in Seoul, was poised to battle the Americans for gold at the Barcelona Summer Olympics. "We can survive without gasoline and fancy imported goods," said Belgrade postman Mile Mitic, "but without soccer and basketball, I don't know."

The sports bus was particularly hard on Vladi Drvic, the Los Angeles Lakers' seven-foot, one-half center. Planning to play for Yugoslavia's national basketball team in Barcelona, Drvic, a 24-year-old Serb, could not contain his disappointment. "We are not politicians and warriors," he said. "We are only sportsmen, and sports should not mix with politics." But that distinction was lost on the war-weary residents of Sarajevo, site of the 1984 Winter Olympics, who built up a dark aura around the war as Serbians' artillery shells rained death and destruction on their once-peaceful town.

ANDREW DILSKI with  
MICHAEL MONTGOMERY as Halcyon

## World Notes

## KEEPING THE PEACE

For the first time in its 33-year history, NATO has gone beyond the defence of its 16 member states to take on a new peacekeeping role in Europe. At a meeting in Oslo, NATO Secretary General Manfred Mander Wilner said that the military alliance will provide supplies, transport or even troops for peacekeeping missions if requested by the 35-nation Conference on Security and Co-operation in Europe.

#### APPENDIX B—CONTINUING

In Jordan, 610 chairman Yusef Aslat underwent surgery to remove a cerebral blood clot caused by head trauma sustained in an April plane crash. After the 90-minute operation, neurologist Aslat al-Karkh said that Aslat was in a "perfect mental and intellectual state."

THE RACE IS ON

richman, says William Clinton could win reelection on June 2, giving Bush well over the 2,345 delegates he needs to win the Democratic presidential nomination. But Clinton's victory was overshadowed by independent candidate Ross Perot, who is supplanting both Clinton and President George Bush in several surveys anticipating the November election. Perot announced the hiring of veteran strategists Hamilton Jordan and Ed Rollins to co-manage his campaign to ouster Bush. Jordan was Jersey Carter's 1976 campaign, and Rollins directed Ronald Reagan's in 1984.

[RETURN TO SEARCH](#)

By a margin of 851,000 write-in votes to 277,000, fans chose an image of the young Steve Fosberg over an older one for a new Olympic stamp honoring the angler. A spokesman for the U.S. Postal Service, which conducted the poll, said that it expects collectors to buy up to \$30 million in Elvis stamps.

#### LOST AND FOUND:

Thirty years after he defected to the Soviet Union, U.S. investigators discovered 73-year-old Victor Hamilton, a former code analyst dismissed from the U.S. National Security Agency, languishing in a Russian psychiatric prison.

## HARRIS TROUSERS

Former Philippine defence chief Fidel Ramos declared victory in the May 11 presidential poll after the watchdog Commission on Elections said that he had an unimpeachable total of 5.3 million votes. Several of the other six candidates alleged electoral fraud in the race to succeed retiring President Corason Aquino.

# A stunning setback

*Voters narrowly reject a more united Europe*

Canadians would find the script all too familiar. A down vote in dark seats left the behind closed doors to negotiate a sweeping political vision for the future. They strike an agreement, and then confidently re-visit their limited plans in the world. But the politicians make a critical mistake: they fail to ensure that they have popular backing for the deal. That happened with the Meech Lake constitutional negotiations in April, 1987. And it happened again in the Dutch town of Maastricht, where the leaders of the 12 European Community states agreed in December on a treaty to create a single European currency, as well as to bind their countries more closely together. And last week, the European pact failed as though it might be no more durable than the doomed Meech Lake accord.

At the time, it appeared that the men of Maastricht had set Europe's course for the next decade. But as a referendum on June 2, its first test against public opinion in Europe, Dutch voters rejected the treaty. The outcome plunged the treaty crisis and underlined the growing rift between the aims of politicians and the wishes of voters across the continent. The "no" verdict on Maastricht was by the narrowest of margins: just 50.7 per cent of voters in the tiny nation of 5.1 million people rejected the proposal, while 49.3 per cent approved it. But the difference was enough to deal a possibly fatal blow to the treaty, which has to be ratified by all 12 EC members by Jan. 1, 1993.

Because of this legal requirement, leaders of EC countries expressed little faith that the Dutchers' thumbs-down on Maastricht could veto the treaty for the entire community and its 340 million people. Still, the other 11 countries and last week that they would press ahead with plans for union—with or without their reluctant partner. In Denmark, where Prime Minister Poul Schlöter's government had campaigned for "yes" votes, a clearly unsettled Foreign Minister Uffe Ellemann-Jensen called the defeat "a fat in the fire."

Opponents of the treaty in all six countries, however, were openly delighted—and glibly so by the Danish decision. For many of them, Maastricht represented an attempt to impose an entire ultraconservative agenda on by the European Commission in Brussels. Many

critics of the treaty accept the EC's original aim of ensuring free trade throughout Western Europe—a goal that is taking a major step forward this year with the completion of the EC's 1992 plan to tear down remaining trade barriers. But the treaty's opponents insist it



Schlöter enjoys a shocking result from the electorate

more serious plans for binding their states together through such measures as a common European foreign policy, closer social programs and a single European monetary unit to replace pounds, francs, marks and other currencies by 1999.

Among those who welcomed the Danish decision was Margaret Thatcher. Still the former British prime minister, who turned her opposition to a federal Europe into a crusade. "They have done a great service for democracy against bureaucracy," she said. Other national leaders said that they were shocked by the referendum's results, in part because some of them had tested their own domestic opinion on Maastricht. When the treaty was negotiated last

December, there had been little public debate on its complex issues—except in Britain, where the Conservative government, especially under Thatcher, had been openly skeptical of any move that would surrender some of Westminster's sovereignty.

Since December, however, doubts have grown quickly in several countries. Danish, fueled in part by such emotional issues as the widespread resentment over a flood of Germans who have bought up prime vacation properties in recent years, expressed fears about German domination in a united Europe. In Germany itself, there is increasing concern about giving up the powerful de facto mark in favor of a new European currency. In Ireland, which is to hold its own referendum on Maastricht on June 18, many voters are still concerned about the scope of European law could eventually force the strongly Roman Catholic country to legalize abortion. And in France, there is growing opposition to allowing citizens of other EC states to vote in local elections, as the treaty would allow. France will hold its own referendum on Maastricht, probably in the fall.

European leaders scrambled last week to salvage the accord. Raising one negotiating strategy, EC foreign ministers said that they intended to continue the process of negotiations without Denmark's participation. Their apparent hope was that a legal solution could be found that would allow the rest of the EC to go ahead with the agreement. But the "no" vote also can't be brushed aside. Community plans to enlarge its trade by opening membership talks with Austria, Switzerland, Finland and Sweden.

With Europe shaken by a war among the former Yugoslav republics and increasing worry of rising right-wing nationalism, the EC had been regarded as a stable union. Now, many analysts say that the EC look

more uncertain for the future. Britain has moved far beyond what their people wanted. Gianni De Michelis, Italy's foreign minister, said that the shock of the Danish vote might force leaders to take much more account of voters' concerns. "It will force the other governments to make an effort to explain the treaty to their countries," he said. The European, a London-based weekly newspaper, was more blunt. In an editorial, it said that the lesson of the Danish vote was, "Never take the people for granted." It is a lesson that Canadian leaders have already learned, and a message that European politicians must now take to heart.

ANDREW PHILLIPS in London

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# Diana's Story



## SUICIDE ATTEMPTS AND A LOVELESS MARRIAGE PAINT A SAD PORTRAIT OF A QUEEN-IN-WAITING

**W**as raped on in the Balkans last week. And in Rio de Janeiro, nothing less than the fate of the planet was being hotly debated. But for millions of Britons, and for millions more in other countries, one story seemed to matter above all: the saga of a 30-year-old mother of two and her middle-aged husband. Once again, the troubled marriage of Diana, Princess of Wales, and Charles, her prince, was under the microscope. And this time, the findings were truly sensational. Three new books paint the royal couple's relationship in the bleakest terms ever. One of them, *Diana: Her True Story* by Andrew Morton, alleges that the princess was in such danger over her marriage that she tried to kill herself five times in the early to mid-1980s. And perhaps most damaging to her relationship with her husband is that Diana apparently gave her tacit approval to Morton's book, breaching the code of silence that normally surrounds the Royal Family's private lives.

Officially, Buckingham Palace offered only its usual disclaimers "no comment" to the web of rumors and allegations. But even if only part of what the new books allege is true, it confirms what had long been suspected by those who have followed the royal couple's rocky progress since they were united almost 11 years ago in St. Paul's Cathedral: their marriage is an uneasy shell constructed only for the sake of appearances. Indeed, the recent books portray Charles and Diana as locked in a domestic cold war so bitter that the once-ambitious prospect of a

formal separation or even divorce was being discussed by some royal observers. That would be a disaster for the Royal Family, already embroiled by the antics of its other younger members and the target of increasing public criticism over its cost to taxpayers. For the Queen herself, it represents possibly the biggest crisis of her 40-year reign (page 26).

In part, Charles and Diana find themselves caught in the crossfire of a high-stakes war between rival publishers and newspapers. It began in April when a London novelist named Lady Colin Campbell published *Diana: in Private: The Princess Nobody Knows*. That book set the tone for the others by maintaining that Diana long ago agreed that her marriage was a "loveless sham." A second book, *Diana: A Princess and Her Troubled Marriage* by journalist Melinda Dorn, extracts from what the London tabloid *Daily Mirror* published last week, alleges that the princess once took an overdose of acetaminophen tablets, a common painkiller. Palace staffers were quoted as saying that the act was an "agitated cry for help." After taking the pills, Diana told Campbell Charles was sent a doctor to her side.

Since Diana's book also says that Diana suffered from the eating disorder bulimia in the mid-1980s. The princess reportedly begged to find time at night before making herself vomit, a destructive cycle that led finally to her being hospitalized in 1988 by a London psychiatrist. One of the signs of her illness, Dorn reports, came in May, 1986, when Diana fasted in public during a visit to Expo '86 in Vancouver. And the book also points to Charles's continuing close friendship with 49-year-old Lady Camilla Parker-Bowles, whose he dated in the early 1970s as a source of tension between the royal couple.

But the book that turned the unending controversy over Charles and Diana's unhappy union into a frenzy of speculation is Morton's 152-page biography, to be published on June 16. What made it potentially more damaging to the Royal Family is that Diana herself apparently allowed her family and friends to co-operate with Morton, a 38-year-old former tabloid reporter. The princess's father, Earl Spencer,

who died in March, said dozens of her childhood photographs to Morton's publisher, and the author's sources reportedly included Diana's brother and several of her closest friends. Andrew Neil, editor of *The Sunday Times*, which paid about \$545,000 to serialize the book, described it as Diana's version of her marriage. "This book was produced because a lot of Diana's friends felt it was time that the real story should be told," said Neil. "And they did so in the knowledge that Diana wanted it to be told." Neil also said that Diana does not believe that she is going to get over, and "it may be the result of these revelations that there will be a question mark over Charles being king."

Morton's book details several attempts at suicide by Diana, all said to be aimed at expressing her unhappiness rather than serious bids to take her life. In the mid-1980s, the princess apparently drove herself down a staircase at Sandringham in Norfolk, one of the Queen's private residences, after a heated argument with Charles. Morton reports that it was the Queen Mother who discovered the princess unconscious at the bottom of the stairs. And on other occasions, he writes, Diana slashed at her wrists with a razor blade, and cut her chest and thighs with a knife.

Since then, most royal watchers maintain, the princess has overcome her distress and has come to terms with her life. Indeed, most observers still say that the couple will never formally separate, at least because Charles's position as heir to the throne is too sensitive, and both he and his wife have a strong sense of duty to the monarchy despite their deep difficulties. Even so, the latest revelations flooded the British press, Charles and Diana appeared together at the annual sports day in Sandringham at the boarding school attended by their older son, nine-year-old Prince William. They arrived, and left, in separate luxury sports cars.

An opinion poll published last weekend indicated that most Britons believe the couple should stay together, both for the sake of the monarchy and for their children, William and Harry. The same survey found that if Diana's aim in condoning Morton's book was to win public sympathy, she succeeded: 24 per cent blamed Charles for the marital crisis while only six per cent pointed the finger at Diana.

If in one case, however, a divorce would be a public-relations disaster for the House of Windsor, in strict legal terms, nothing would prevent Charles from divorcing, or abdicating the throne after a divorce. But at present he is down in his marriage would risk a possible fatal blow to the prestige of the Royal Family, especially after the formal separation of the Duke and Duchess of York in March and Princess Anne's divorce in April. For more than a century, the Royal Family has depended heavily on a succession of strong women: Queen Victoria, the Queen Mother and Queen Elizabeth herself. It is difficult to tell, despite Diana's open unhappiness and present distress, the monarchy still needs her to carry on that tradition.

ANDREW PHILLIPS in London



# The Battered Crown

Everything around perfect one afternoon last week as Queen Elizabeth II's Rolls-Royce Phantom VI limousine glided up to the edge of Leicester Square in the heart of London's theatre district. Her Majesty had come to formally inspect the square after it had been redesigned. And as she stepped out of her car, she is greeted by the customary little girl bearing the customary bouquet of flowers, a few hundred onlookers registered their approval with a scattering of polite applause. But the almost holy hush that followed was suddenly shattered as a man screamed out only a dozen yards from the monarch. "Pay your taxes, you bloody parasite!" The rest of the crowd shrunk back in almost palpable horror as the outrageous breach of protocol, and the Queen, with decades of royal training behind her, showed absolutely no sign of acknowledging the outburst. But it was an unforgettable reminder that as the marks her 40th anniversary on the throne, the Queen and her family are the targets of increasing criticism as well as praise.

The tabloids are coming from all sides—and on a variety of issues. Most at the disapproval is directed at the troubled private lives of the Queen's large and turbulent family, culminating in the publication this month of the controversial new biography of the Princess of Wales called *Shame: Her True Story*. And even in Diana's rocky marriage to her husband, Prince Charles, came under unprecedented scrutiny, other high-profile royal couples added new chapters to their own sorry sagas. Ever since the Duke and Duchess of York, Andrew and Sarah, formally separated in March, Britain's cottage industry of royal-watchers has delved not in almost daily diet of tidbits about their on-again, off-again attempts at reconciliation. Anne, the Princess Royal, divorced her husband, Mark Phillips, in April and now reportedly plans to marry her new boyfriend, Lord Rory Cundy, Timothy Lister-Jones, in October. All at that comes at a time when Britons are questioning the cost to taxpayers of maintaining the royal establishment—and—as in the incident in Leicester Square—last week—the fact that the Queen herself pays no tax on her large private income.

**Soap opera:** The barrage of criticism is the worst the Royal Family has faced since the Queen succeeded to the throne 40 years ago in February. Almost no one in Britain seriously predicts that the monarchy's existence is threatened in the near future. The British remain strongly monarchist and the Queen herself is still highly popular after four decades of near-flawless public performances. But even some staunch royalists are voicing fears that the current attacks are a warning sign that the monarchy must change its ways or face gradual extinction. Harold Nicolson-Baker, publisher of *British Picture*, says the Royal Family has failed to find the right balance between its desire to retain its dignity and the need to satisfy the insatiable appetite of the public and press for details of its members' private lives. "Certainly, the monarchy is losing the way," Nicolson-Baker said last week at his London office. "To be as ever growing and ever more among soap opera is hurting

the whole idea. If they do nothing, I think they're going to disappear."

Other critics, especially in the mass-circulation tabloid newspapers, just choose almost every movement of the royals, least born raised in slums. After the Times responded in a blow of money publicity last March, the *Daily Mirror* proclaimed in a front-page editorial that the Royal Family was in the throes of a crisis that, "if allowed to go unchecked, will permanently damage the prestige of the Queen." With the advice of Prince Andrew and his current wife "Fergie" fresh in the public mind, the *Mirror* added: "The plan last night to list the monarchy as in danger of becoming a laughing stock, a national joke."

Much of the trouble, say close observers of the monarchy, stems from the Royal Family's decision almost 25 years ago to renounce its outdated image by presenting itself as a relatively normal, happy family. At the time, senior courtiers feared that the monarchy was too remote and was losing relevance as the fast-moving 1960s. To counter that, Buckingham Palace co-operated in the making of a 1969 documentary called *Royal Family*, which showed the Queen, Prince Philip and their children for the first time doing casual activities, like going on a picnic. The taboo against allowing the public to glimpse the private lives of the Royal House of Windsor was shattered forever—and the effects are still being felt.

**Disaster:** The trouble was that as the Queen's children grew up, married and had children of their own, they turned out to be anything but the image of the stable, idealized family that public officials had attempted to portray. Instead, they failed to achieve a single happy relationship among them—with divorce, separation and lawless cohabitation the norm rather than the exception. "They opened up Pandora's box when they presented themselves as a kind of idealized, almost middle-class family," says David Casanovic, a historian of the British monarchy. "The problem is that it's become a contemporary dysfunctional family complex, with divorces, unhappy marriages and misbehaving children. But they're stuck with it. There's no going back."

Others are even harsher in their judgment of the contemporary royals. James Whitaker, a veteran royal watcher who has reported on the monarchy for the past 25 years for a variety of tabloid papers, says that while the Queen conducts herself with a head of state, "as a mother she's one of the biggest disasters in the world." Whitaker, who now follows the royals for the *Daily Mirror*, says that the monarchy's inherent bout of troubles could even mark the beginning of the end for the House of Windsor. "A year ago, I would have pushed all this," he said. "Now it has really become a farce, and I think the whole end of the monarchy is horribly, horribly at sight."

Still others who chart the fortunes of the Royal Family charge that Whitaker himself and the other full-time members of Fleet Street's royal "rot pack" are helping to fuel their own predictions. Tabloid editors know that royal stories, especially sensational royal scandals, sell newspapers like almost nothing else. And they agree on expense to uncover



DANIEL M. SHAPIRO



every detail about the private lives of the royal couple in plain old English in circulation with real papers. That was apparent last week when *The Sun* in London printed investigative photographs of the royals' bedrooms and bathrooms maintained by Prince Charles and Princess Diana at their Gloucestershire mansion, Highgrove.

It was a striking visual symbol of the separate lives that many royal-worshippers say the couple have maintained for years. But it was also a further sign of how far the tabloids would go in the current frenzy of speculation about Charles and Diana's marriage. "For the first time," the weekly *Sunday Mirror* magazine commented last week, "The Royal Family is seriously threatened by the activities of the press." And a friend of the Royal Family, Lord St. John of Bunsby, told his interviewer recently that the blasted publicity "has become so intrusive that it is positively destructive."

But whatever is at fault, the recent action of the couple has clearly aroused public interest for the monarchy. A Gallup poll conducted in May for *ABC* television revealed a high degree of disaffection with the Royal Family. It indicated that 60 per cent of Britons believe that the separation of the Yanks and its aftermath had damaged the monarchy. And just over half—50 per cent—said that the royal bid to promote a good example of family life by his television revealed a high degree of disaffection with the Royal Family. It indicated that 60 per cent of Britons believe that the separation of the Yanks and its aftermath had damaged the monarchy. And just over half—50 per cent—said that the royal bid to promote a good example of family life by his television revealed a high degree of disaffection with the Royal Family. It indicated that 60 per cent of Britons believe that the separation of the Yanks and its aftermath had damaged the monarchy. And just over half—50 per cent—said that the royal bid to promote a good example of family life by his television revealed a high degree of disaffection with the Royal Family.

Women, in fact, assailed the throne in 1837 only because none of her relations had produced a legitimate male heir: her son, Edward VII, was not born until the monarchy's 10th anniversary with the aid of women.

The difference is that the great majority of the public have nothing about the private lives of royals then—no contrast to the obsessive prying of today's tabloids. Some royal reporters have made their reputations by such means as looking through peepholes at the Balmoral to get a glimpse—and a photograph—of a grand dame snuggling in a loam. The *Daily Mirror's* Whitaker takes pride in always carrying brooches and knowing of the best vantage points on the edges of the royal estates from which to peer at his quarry. The result is that the police and the press are locked in a hostile but symbiotic relationship. "They both desperately need each other," says historian Castleden. "The monarchy can't do without media exposure. The trouble is that it is increasingly not so much of the monarchy's choosing."

**Ride** While the royal's personal lives have been held in an unprecedented degree, they have also come under fire personally on a completely different front: money. The Royal Family's total cost to British taxpayers is about £124 million a year. Most of that is spent on maintaining the two official royal residences—Buckingham Palace and Windsor Castle—and on transportation, including the royal yacht *Britannia* and a fleet of planes and helicopters known as the Queen's Flight. And the Queen receives an annual salary of \$17.2 million, while 20 family members earn another \$5.5 million (none of which is known as the Civil List). As for the personal popularity of some of the royal has plummeted, there has been mounting

criticism of the culture they covet and the sheer number of the sheer number of the family members on the list. Prince Andrew receives \$44,000 a year for his role and his wife's costs—although he is a full-time naval officer who has little time for public engagements and the showed little interest in such activities before they separated. Prince Edward, at 20, the Queen's youngest son, receives \$214,000 a year to finance his official activities. But, having failed miserably to marry or to keep a regular job, Edward commands little public respect. Even Princess Alice, the Queen's 90-year-old aunt, receives \$106,000 each year. The recent *ABC* Gallup poll indicated that fully 51 per cent of Britons believe that there are too many royals on the Civil List, and that most of them are paid too much. The only exception was Princess Anne—who receives \$152,000 a year and has become one of the most respected royals by holding by far the most official engagements.

The monarchy's defenders point out that there is an enormous public dividend for appearances by royals, and someone has to pay their expenses. Charles' complete absence for the past year and a half of high-profile royal—leaving that the presence of a superior like Diana adds glimmer to their worldly views that translates into donations worth millions of dollars. And Buckingham Palace points out that the deal under which the Queen and other royals receive official pay-



CHRISTOPHER

ments goes back to 1760, when George III called the income from the vast Crown Estates to Parliament in return for the Civil List. A senior palace official noted recently that the income from the Crown Estates amounted to \$133 million—\$40 million more than the cost of maintaining the royals. *See Book Reviews* "You could argue that the Queen is the only head of state in the world who is actually posing for the privilege of doing a job that

no one at her right hand would want." Even more damaging to the Queen herself have been recent revelations about her personal finances. Alone among royals—the Queen is exempt from paying tax on her private income. That is not an enviable privilege of the Crown, as many Britons had thought, but a comparatively recent arrangement that was struck only during the reign of the Queen's father, George VI. In

**Diana and bodyguard photographed at poolside in Cairo last month: private**

January, details of how the monarch negotiated the tax exemption were revealed for the first time in book *Spilled Milk* by London sociology lecturer Philip Hall. But, Hall said, that when income tax was permanently established in 1842, Queen Victoria paid her share—but her successors gradually severed themselves from all taxation: a secret deal negotiated between Buckingham Palace and government officials.

**Reveals** The revelation led to calls for change. "The Queen should be taxed in the same way as anyone else," declared *The Independent* newspaper. The monarchy, it added, "may lose some of its mystique, but most people will realize the Queen more if they know she pays the same taxes as her humblest citizen." An opinion poll conducted for the newspaper last year indicated that 80 per cent of Britons believe the Queen should pay tax. The criticism clearly angers the Queen's senior aides, if not the monarch herself. They embarked on a discreet campaign to counter the widespread belief that the Queen is the richest woman in Britain—and possibly the world.

Palace officials have urged anxious journalists to read an estimate of the Queen's wealth published in January by the weekly magazine *the Economist*. That poll her personal fortune at a mere under \$109 million for her investment portfolio and \$116 million for her two privately owned country estates, Sandringham in Norfolk and Balmoral Castle in Scotland. Still, the public perception that the Queen enjoys enormous wealth and benefits from secret tax deals has damaged the monarchy's standing. "The Queen is going to be hit with

## UP AND DOWN THE DIANA DECADE



**JULY, 1982:** Charles and Diana wed at St. Paul's Cathedral. Worldwide television audience estimated at 700 million.

**APRIL, 1982:** Prince Andrew was active duty as helicopter pilot in Falklands War.

**OCTOBER, 1982:** Prince Andrew can start a Caribbean vacation with actress Kathleen (Dad) Stark after it was revealed she appeared in erotic movies.

**JULY, 1982:** Buckingham Palace intruder Michael Fagan talks to Queen Elizabeth in her bedroom for 30 minutes before he is escorted out by a chauffeur and arrested.

**JUNE, 1983:** Cambridge University students complain after Prince Edward marries, claiming that his grades were too low.

**JUNE, 1983:** Charles and Diana's first trip to Canada.

**MAY, 1984:** Princess Margaret reportedly calls television rock star Boy George as "an average-uppity cat" at an awards ceremony in London.



**OCTOBER, 1986:** Prince Philip causes a stir while visiting China by telling Chinese students that they would "all go pretty-eyed" if they stay in Beijing much longer.

**JANUARY, 1987:** Prince Edward resigns from the Royal Warrants four months after his officer's training course. A pet lion, he becomes a production assistant in a London theatre company.



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**APRIL, 1987:** A severely retarded woman, first cousin of the Queen, is discovered living in a Surrey hospital nearly 30 years after being reported dead and stricken from the royal registry.

**JUNE, 1987:** British press reports link Diana romantically with English singer Peter Dinklage. The royal couple's public appearance

and Charles's tips also had reports of marital tension.

**MARCH, 1988:** Prince Charles narrowly escapes an avalanche at the Swiss ski resort of Klosters. A close friend is killed.

**AUGUST, 1988:** Shortly after late letters between Princess Anne and a royal aide are leaked to the press, she and Capt. Mark Phillips announce their separation after 15 years of marriage.



**OCTOBER, 1988:** Princess Anne and Prince Edward's wedding anniversary is celebrated as they arrive in London for the first time since their divorce.



**OCTOBER, 1991:** Charles and Diana's third visit to Canada, with their two sons. The couple spends much of their time apart.

**JANUARY, 1992:** Rumors of the breaking of Prince Andrew and Sarah's marriage are renewed following the publication of photographs of Sarah with Moroccan actor Steve Wyatt in Morocco.

**FEBRUARY, 1992:** Queen Elizabeth marks 40 years in

monarch and discusses speculation that she might resign to let Charles become king.

**MARCH, 1992:** Prince Andrew and Sarah announce their separation.

**APRIL, 1992:** Princess Anne and Phillips are divorced.



REUTERS/CONTRAST

this tax thing over and over again," says Brooks-Baker. "It's under, but there's a bit."

Other estimates of the Queen's wealth vary wildly, going as high as \$22 billion. Last year, *The Sunday Times* of London, which publishes an annual guide to Britain's wealthiest people, ranked the monarch in first place with an estimated fortune of \$12 billion. But in its latest estimate, published last month, the newspaper acknowledged that it had not made a clear enough distinction between the Queen's assets as head of state—such as Buckingham Palace, the Crown Estates and the royal art collection—and her strictly family wealth. Also private individual, it said, the Queen ranks as Britain's 10th-richest person with a personal fortune of about \$1.1 billion—a far cry from poverty, but not the vast wealth that she had been reputed to have.

**Thatcher:** None of those controversies poses an immediate threat to the Royal Family. But some observers caution that behind the British people's continuing support for the principle of monarchy is a sea change in public opinion. Criticism of the monarchy now comes more from the political right than from the left, the traditional home of royalism's westernmost Margaret Thatcher's decade in power shook up the British establishment; while a declared supporter of the monarchy herself, Thatcher pushed attacks on vested interests and inherited privilege throughout British society. As a result, says historian Canadiana, Britain's political establishment has a much weaker commitment to the Royal Family. "To Thatcherism, the monarchy is the absolute worst enemy," he says. "It's not surprising, then, if about another wealthy aristocrat or all the things that Thatcher hated."

Still, the Royal Family has shown few signs of responding to, or even recognizing, the criticism aimed at it. But sympathetic critics have increasingly sounded several notes that might respond to their undermining its status or dip-



'Fergie' and Andrew reunited with daughters last month's timing of the series

lary. In a recent editorial, *The Independent* proposed this modest agenda for reform: "From the Civil List, force to lesser members out of public life and pay tax as the rest of us do." Such changes might be painful for as

withness that by its nature commitment. But they may well be necessary if the monarchy is to survive long into the 21st century.

ANDREW PHILLIPS in London

## THE QUEEN'S ERODING ROLE

When King George VI and Queen Elizabeth, his consort, arrived in Canada in 1939 as the first royal tour in the nation's history, welcoming and entertained crowds, greeted them at every stop. Their daughter, Queen Elizabeth II, who arrives in Ottawa on June 30 for a three-day visit during Canada's 125th birthday celebrations, has rarely been received as enthusiastically. She has been quietly snubbed by Quebec nationalists, and is to be the first British monarch to visit Canada's least of state. But another reason for the sometimes muted Canadian reaction to her presence may be simple hubris: she will be the Queen's 17th official visit, and, coming a year before she succumbed to the throne and other short answers, the 38th year that she has

set foot on Canadian soil. Her husband, Prince Philip, an ex-movie star (frequent visitor) he has been to Canada 40 times since 1961.

Royal tours are more common in Canada now, in part because the Queen has fewer places to visit as head of state. She is now sovereign over just 17 countries, many of them small islands such as Barbados. Even in Canada the Governor General is gradually assuming more of the Queen's functions. Since the 1960s, successive governments have encouraged the Queen's inoperativeness to "Canadianize" the job. Indeed, in 1984, Governor General Brian Mulroney visited in "Canada" to mark visits abroad in a "head of state." And between 1979 and 1984, Edward Salinger made nearly a dozen official foreign trips.

There are other, more subtle signs of the erosion of the Queen's traditional role. John Papp, a Toronto lawyer who has written on the issue, notes that in 1978 "letters of credence," by which foreign envoys arriving in Canada introduce themselves to the Canadian

head of state, were reinforced to give greater prominence to the Governor General, and less to the Queen. Papp says the change was "part of the agenda" of Prime Minister Pierre Trudeau's government, which wanted to elevate the Governor General into a head of state.

But historian John Sweeney says that the Queen's role in Canadian public life should not be carelessly discarded. Declared Sweeney, "We have a far less antiquated system, we ought to keep the one we have, even if they are largely mythical and traditional." And, as Papp points out, royal—lowercase monarchs—all have greater drawing power than any long-haired head of state. "You can send the Governor General out to do something and nobody cares," says Papp. "But you can send out Prince Edward, and suddenly everyone cares about the Royal Family, and its news."

GLEN ALLEN in Ottawa

# UPSETS DOWN UNDER

## AUSTRALIANS WEIGH REPUBLICANISM

It was to have been a pleasant one-day visit to celebrate the 150th anniversary of Australia's largest city and to visit the country's new prime minister, Paul Keating. But just as he arrived, Queen Elizabeth II and her consort, the Duke of Edinburgh, stepped off the royal arrival at Sydney Airport on Feb. 18, the longest leg of a branch of ceremonial protocol, the prime minister's 43-year-old Dutch-born wife, Acacia, bowed instead of curtsying as she welcomed the visiting monarch. Six days later, the prime minister outraged traditionalists by touching the Queen—he put his arm around the royal waist as he escorted her through a crowded reception at Parliament House in Canberra.

These Keating went much further. In a speech commemorating the Queen on the 40th anniversary of her accession to the throne, he referred to the former monarch's changing relationship with the United Kingdom. "Just as Great Britain went from a single island to a collection of islands, so Australia now represents partnerships with countries in our own region," he said. "Our outlook is accurately independent." With those words, Keating plunged his country into a controversy and drove away old national self-understanding of its historical links with what many Australians still refer to as "the mother country."

**Suspensions:** The Keating's behavior, along with the Labor prime minister's self-confident message, angered devout monarchists in their trials and throughout the British Commonwealth. Critics faulted Keating for being "insolent," "disrespectful" and "insulting" in the presence of the country's official head of state, and despite warnings from the prime minister's office that Keating's remarks constituted "no hidden message," opposition Liberal-National coalition Leader John Howard branded "a bit of a royalist." Sceptics about Keating's desire to visit the bonds between the United Kingdom and Australia were already running high because of his previously stated support for dropping the Union Jack from his country's flag. In late January, he had pronounced: "I suppose people around the world are entitled to say: Look at your flag. You're got the flag of another country in the corner. I mean, are you really a citizen?"

Even as the Queen flew home on Feb. 27, ending her 12th state visit to the continent, the opposition Keating continued to stir controversy. In the first act of the Australian Parliament since he replaced fellow Laborer Robert Hawke as prime minister in December, Keating defended himself against opposition charges that he had been disrespectful. "I bowed about self-respect and self-regard for Australia," he said, and he had cheer from the government benches, "not about cultural change to a country which [is]

needed to retain the monarchy. These results contrasted sharply with a 1986 poll in which only 45 per cent supported an Australian republic.

Royal groups are now competing fiercely over the issue. The Australian Republican Movement, for one, which was founded last year, includes prominent author Thomas Keneally among its members. On the other hand, a group called *Australians for Constitutional Monarchy* will at launch meeting last week, with open dis. These days, Sutherland is a supporter. On the flag issue, a group called *Don't Bury the Flag* embarked on a campaign in January to remove the Union Jack and leave the Southern Cross constellation as the national emblem. "Canada can model," said Keating in a show of endorsement. "They did survive—the place didn't fall into anarchy."

**World War II:** But going, the battle lines are clear. Said retired secretary Bert Stevenson, 67, of Sydney: "I definitely don't want to change the flag. Our soldiers fought under it and I still feel it was a part of Britain." But Sally Macmillan, 37, who grew up in Melbourne, England, and emigrated to Australia in 1962, said that she was amazed when she had to swear allegiance to the Queen in becoming an Australian citizen in 1988. "I think it's unimportant," she said. "I don't think the Royal Family has anything to do with Australia."

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Although Keating faced a barrage of criticism, his statements may in fact reflect a growing trend in Australia. A public opinion poll published in *The Sydney Morning Herald* after the royal visit showed that, for the first time, a majority of Australians favored republicanism. Fully 57 per cent of respondents said that they wanted the country to become a republic, compared with only 39 per cent who



wanted to retain the monarchy. These results contrasted sharply with a 1986 poll in which only 45 per cent supported an Australian republic.

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SCOTT STEELE with TANYA DANNY in Sydney

# A PATRIARCH AT BAY

*But when I turned myself to look on all my works that my hands had wrought, and on the toil that I had labored to accomplish, then, behold, all was vanity and a torment of the spirit, and there was no profit under the sun.*

—Ecclesiastes (Ecclesiastes 1:11)

**T**he words of the Hebrew Bible may hold particular resonance for Paul Reichman these days. For the past three months, the devoutly religious 41-year-old patriarch has endured a public test of both his personal faith and his business judgment. From the seclusion of his office in Toronto's Exchange Tower and his relatively modest home in a predominantly Jewish neighborhood of the city, Reichman has been forced to look on all courts in Canada and Britain took note of what he and his family have wrought over a lifetime out of their hands: the struggle to amass \$13.5 billion in international credence, the family's professed Orthodox and York Developments Ltd. has recently opened its books to a legion of unfamiliar accountants, lawyers, advisers and court-appointed monitors. On one corner, though Reichman and his brothers, Albert and Ralph, have been something, despite intense pressure to meet the mounting demands of their creditors and the courts, to not working for any day work during the Sabbath—two weekdays on Friday and weekends on Saturday.

That strict observance of the Reichman family's Orthodox faith is one of the few things that has not changed drastically at O&Y since reports of its financial distress first became public in March. The courts have forced the company, once the jealously guarded preserve of the close-knit Reichmans, to adapt to an unfamiliar new life in a highly visible arena. As part of the debt-restructuring process, court rulings have ordered the brothers to disclose the most intimate details of their formerly confidential business, relationships, and business critics have derided their once praised financial acumen. "It is a tough spot," said Frank Bennett, an investment specialist with the

## FOR O&Y'S DEEPLY RELIGIOUS CHIEF EXECUTIVE, THE COLLAPSE OF AN EMPIRE IS A PASSING SETBACK

legal firm of Bennett Kohn & Gosses in Toronto who is advising O&Y, "opening the doors of your sanctuary to strangers." Amid those gathering difficulties, colleagues say, the family has turned to its faith and its traditions for strength.

As teams of accountants and lawyers settled in last week to pick over the real estate and stocks in O&Y's portfolio, analysts acknowledged that one concern, at least, was behind them. Initially, O&Y's creditors expressed widespread anxiety over Paul Reichman's willingness to make the necessary transactions to liquidate the company's assets in selling them piecemeal in the effort to restructure his company's debt. As Raymond Kuo, a professor at the faculty of management studies at the University of Toronto, noted, successful entrepreneurs like Reichman frequently resist sharing authority. "They create their company in their own image, and when have trouble trusting others to run that company," Kuo said. "They want to do everything their way, down to the last detail." Concerns increased when O&Y's rebuttal of demands for financial disclosure, and lambasted further when the first high-level adviser brought in to help the company weather its crisis, Thomas Johnson, a former banking executive from New York City, departed abruptly after only three weeks. It was widely speculated at the time that Paul Reichman had been unwilling to delegate any power to Johnson, an outsider.



As recently as late last month, while O&Y pursued an increasingly desperate search for new financing for its \$7-billion Century World development in London, Reichman insisted on a central role. His eldest son, Daniel, also 38, who has managed the domestic side of the three brothers, all of them are involved in managing parts of the day empire, as are three of his sons.

There is, however, a limit to how far the Reichman's religious faith penetrates their business affairs. Said one creditor: "They may wear parulines, but between one and five o'clock on most days, the Reichmans are the same as any other businessmen. They have the same shortcomings and the same vulnerability to criticism as any other businessmen." They wrapped up in building an empire for themselves and they just went too far, fast of story."

Indeed, the family's rigidly Orthodox code of behavior may have contributed to what creditors in Canada and as far as veteran American restructuring specialists, made up of former Chrysler executives Robert (Steele) Miller and Gerald Greenwald, now consult closely with a court-appointed administrator and representatives of the company's lenders before making decisions involving the Reichman's Canadian assets.

Scorned down to the publicity-shy developer who Reichman has wandered the glare of such intense public scrutiny and the dismantling of his corporate leadership with the company to its troubled public companies, including Atlantic-First Inc. of Toronto and Gulf Canada Resources Ltd. of Calgary. These, according to other directors, Reichman insists, show about his company's many problems. Said one: "Paul is a very conscientious person who is deeply at peace in his inner core. And like a good hockey coach, he tries to bring out the best from others." He added: "Only amateurs are afraid of most things and show their nerves."

These avowed little attributes mark Reichman's equanimity to a lifelong practice of his Orthodox religious faith. Indeed, he once remarked in an interview that, at a young age, he had stopped to become a learned Talmudic scholar. And, said his fellow director, "if you read Ecclesiastes or the Psalms, you quickly come to the conclusion that a real estate debate is a small problem in terms of the big picture. It's a disappointment to a scholar, but it doesn't affect who you are or what you believe."

Orthodox Jewish tradition also explains the importance of strong family ties. Those ties were helped maintain the trauma to Paul Reichman from his empire's collapse. Said an O&Y adviser, also an Orthodox of authority: "It may seem

where money and power are amassed in one generation, there is an elevation from roots and family. The Reichmans are just the opposite: they are all involved in business together and they are entirely separate. Indeed, as far as the family is concerned, the domestic side of the three brothers, all of them are involved in managing parts of the day empire, as are three of his sons.

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But many of O&Y's biggest decisions to liquidate assets with other Paul Reichman's and his brothers' interest, an completely have the doors of the Reichman's corporate sanctuary been thrown open that O&Y managers have established what they call a "lets room" at the company's Toronto headquarters, where creditors can locate and see any financial documents they need to establish their claims against O&Y's assets. In an equally radical departure, O&Y spokesmen now offer to assist creditors in obtaining Reichman's court filings and related documents, say it also concerning the liquidation of assets and interpret the legal issues for the needs.

Said, those accommodations were confined to the business week. As far as last Friday, the Reichmans undoubtedly will not make the same public struggle to preserve some share at the former commercial empire and, in the company of their families, sought comfort from a faith more enduring than even the longest-lasting material fortunes.

DEBORAH MCNEIL

## Business Notes

### FIXED JOBS PROSPECTS

Canadian Canada reports that the nation's unemployment rate climbed to 11.2 per cent in May, the highest level since September, 1954. Still, some private economists said that there were encouraging signs in the job figure. The number of employees in Canada increased by 31,000. But the unemployment rate also increased because 56,000 overeducated workers returned to the labor force and began looking for work again.

### FUEL FOR A TURNAROUND

Continental Airlines' first quarter outlook, rates by a quarter of a percentage point to 7.25 per cent and reduced their rates on most other routes. Many economists predicted that the rates will fall even further in Bank of Canada Governor John Dwyer says up to his high interest rate funds against inflation and attempted to bolster a recovery.

### A BRIGHT IDEA

Interstate Technologies Inc. of Sunnyvale, Calif., unveiled a light bulb that lasts up to 30 years and costs one-quarter of the energy of standard fluorescent bulbs. The new bulbs will be costly when they go on sale to the public next year \$15 to \$20 each.

### A TRADE COMPROMISE

Arthur Drexler, the director general of the General Agreement on Tariffs and Trade, offered to allow Canada to keep its controversial farm marketing boards. But Drexler, who is trying to eliminate all agricultural trade barriers in a continuing round of world trade talks, said that Canada must phase out export restrictions on dairy, egg and poultry products.

### IBM CLONES ITSELF

IBM Corp. introduced a low-priced personal computer for home users. The machine will be manufactured and marketed worldwide by small independent subsidiary companies. The computer has no disk drive or tape drive and has a list price of \$1,400. It is designed to compete head-on with low-cost desktop computers made by small manufacturers.

### AGAINST THE WALL

Thriller Toronto-based developer Ben-Moshe Ltd., part of the web of companies owned by Peter and Edward Brundage, confirmed that it will take the maximum time to pay off its back loans in part of a reorganization process. The collapse of Olympos & York Developments Ltd. is making it difficult for Ben-Moshe to sell properties or obtain new loans.

# Aftershocks of tragedy

The Westray disaster raises troubling issues

One month after an explosion in Nova Scotia's Westray coal mine killed 26 men, political and financial aftershocks are reverberating through the province and the careers of Bay Street, where attorneys have punished the stock of the mine's owner, Carruth Resources Inc. Last week, Carruth's share closed at \$3, less than half their peak price of \$7, set last June in Nova Scotia, meanwhile, former Westray mine workers and members of the political opposition have charged that Carruth had routinely ignored safety procedures and downplayed the painful task of explaining the causes of the blast—and missing blame for it—put under way, naming analyst Jay Halpern of Toronto's National Post. Carruth has declared: "It is possible to assess the material damage from the explosion. More serious and lasting harm has been done to reputation."

Carruth could not sit the coal

Sharpening criticism of governmental support for the project is other evidence that officials were well aware of the dangers at Westray. Files created by the opposition Lib-



Mourning the dead: concern over mine safety measures

eralist wrote one 1851 study of a mine near the Westray one that also penetrated the high-quality, but notoriously unstable, Fensil coal seam. The inspector's report contained a few warning that "the mine was too hazardous to operate considering the number of lives and explosion which have occurred during the mine's history." Carruth's engineers, however, persuaded federal and provincial officials that new technology and vigilance could make safety at a mine that provided 242 jobs at a depressed Pictou County. Declined \$100 million for an additional 275,000 tons each year if

some responsibility for this accident and I believe, absolutely, the province has to bear some responsibility for this accident."

To admit at least some of the criticism against its government by mine workers and opposition politicians, Carruth, who represents Pictou County in the legislature, announced on May 15 that provincial court Justice Peter Richard would begin a judicial inquiry into the blast. Richard's study is expected to take a year to complete.

The heated debate over Westray is only an additional chapter in Fraser's already controversial record. According to industry colleagues, the 35-year mining veteran refused to cede governments into supporting his projects while working for Stephen Ross, founder of Denison Mines Ltd. of Toronto. Denison relied heavily on government support to develop its Quebec and coal mine in southwestern British Columbia. When Fraser left Denison in 1985, he used a combination of federal and territorial funds and loans provided to raise \$15 million to buy the Copps Auld mine near the Yukon town of Faro. Said David Derosh, mining analyst with Wood Gundy Inc. in Toronto: "Most mines tend to avoid projects with government. Fraser is different. He loves deals with the government, the better." Fraser's deals have been personally rewarded: he earned \$262,000 during one seven-month period in 1990.

Carruth has done less well lately. After a period of steady profitability during the 1980s, the company lost \$90.2 million last year, largely as a result of low prices for its principal commodities, lead and zinc. At the time, Carruth succeeded in selling the Westray mine in November. The little that had happened since the explosion on May 9 is likely to improve the mine's appeal to potential buyers. For one thing, the tragedy seems to have acted as a tip-off to Westray's previously unimpeachable status, who sold on July 26 and 28 to join the United Steelworkers of America after expenses for the mine said that they would fight for safer working conditions. The market, Carruth announced the "temporary" layoff of 334 Westray miners, saying that the employees would be recalled when officials give the company permission to resume work using the damaged site alone.

Until a federal safety committee's task, however, it is far from certain that work will ever resume at Westray—and even more uncertain whether Carruth, Carruth or Fraser will survive the painful examination of the events that led to the disaster there.

DEVIDA McNEILBY with JAMES McNEILBY in Halifax

## BUSINESS WATCH



# Polishing the wild side of the Big Apple

BY PETER C. NEWMAN

Where else do the Realists have a more intimate presence—14 square feet—than in Manhattan, where they own the equivalent of eight Empire State buildings. Even before Olympic and York collapsed, the New York real estate market had been a hotbed of speculation. At least 100 million square feet of prime office space are currently vacant, and it might be the towers alone in one area—through which, their lighted windows providing unobstructed views—right through to the next city skyscraper. One example of how low values have gone was the recent purchase by the German publishing giant Bertelsmann of a vacant office tower at 438th Street and Broadway for \$140 million—less than half the value of the building's mortgage.

One of the few complexes in this downy period at 420 Fifth Ave., the tower's most magnificent side of a Canadian real estate entrepreneur, has doubled in value in the past six months. The story turns on the fact that as of July 1, part of the building becomes the new national headquarters for the Gert & Sons of America. It's a tale worth mulling because it proves that enlightened proprietors, sharp-eyed marketing and a little bit of luck can cultivate the occasional rise, even in a lull.

The building a question was created in 1950 by the Brooklyn-based Manhattan Property Investment & Development Corp. for \$218 million, using luxury material and prize-winning architects (The 11 high-speed lifts elevator cars, for example, are hand-fabricated out of a solid combination of marble, wood, bronze and stainless steel.) By last October, with only one tenant (Turner International) in the building, occupying two of its 28 floors, Hancerson's chairman, Sidney Massey, decided to write down its value by \$150 million.

Because Robert Caplan, the Toronto real estate entrepreneur, had been employed by Massey in a former position in Canada and Caplan had been asked to inspect the New York property

and render his recommendation. Once in New York, Caplan quickly discovered that what he calls "culture shock" of \$14 million or so were being discussed—these were from operators trying to tie up the property who, as the minutes before closing, would escape and offer a lower price. At the same time, he discovered that the site had been owned by the Gert & Sons of America, who had been seeking a new location for their headquarters.

It would have been easy for the Gert & Sons to rent space anywhere in the tenant-friendly city, but under New York law, tenants acquire a right to renew offices in the city's major exceptions from the city's market and estate tax of about \$10 per square foot. The Gert & Sons had then appropriated old buildings but could not find a suitable premises yet affordable new headquarters. They were on the verge of moving to another location, Adams or Baltimore. It was Caplan who had the idea—simple as it seemed, except that so one else had thought of it—to turn the Fifth Avenue structure into a combination, with the Gert & Sons to pay \$28 million for the new floors they needed.

As Caplan's negotiations started, Caplan telephoned Massey, who was spending the weekend

at his country house outside London, and told him that he didn't like the "wild" offers from the table because the Gert & Sons were too wild. "I've got a hard line for you at \$60 million," Caplan announced.

"Who?" "You." Caplan then explained his construction idea, and Massey, who at 73 is energetic and also more than says of his British competitors and less the discretion of running one of the only major British property companies not at or near the luxury courts, immediately agreed. (The Hancerson Group owns a real estate portfolio worth \$1 billion.) Caplan made his deal with the Gert & Sons and confirmed that it felt as good as getting the T. Eaton Co. into a Canadian shopping center.

New York office buildings had never been entered in continuous, but any construction, even if it was residential, usually took a year. Caplan's son, current Mayor David Dinkins and the state's attorney general's office of the rights of his case and, six weeks later, the necessary permits had been issued, leaving the building into five condominiums. (The new structure has been the original tenant, Ted Turner's CNN operations, which has since since been doubled to space.)

Caplan began to market the building—without using the dramatic tactics of most New York real estate shoguns, but as a local neighbor—soon began to sell. He began to sell the only way to permit a neighborhood, he maintained, "in to least it to quality people. I had offers from Dinkins and New York City to buy space on it was a crisis, but that would have meant loss of control over who moves in, potentially changing our relationship with the Gert & Sons and with the Gert & Sons by playing hard to get in a market where everyone else is involved and making around asked and yelling, 'This one! This one!'"

Meanwhile the strategy worked. Last week, the building space was oversubscribed by high-class tenants. At the same time, Caplan was supposedly needed 60,000 square feet, but leased 60,000 more and is negotiating for yet another 60,000—as well as asking Caplan and the Hancerson organization to handle his real estate deals in the state countries where Caplan has offices. The transaction was made possible as much by Massey's management style as by Caplan's shrewdness. Massey had put up the building on a cash basis and it's one of the few New York structures without a loss or mortgage payment. That prospective buyers can feel safe with their investments. The building will ultimately be worth about \$150 million to Hancerson, which is not what it cost, but it's more than twice as much as the "value" offer it was reduced to attracting.

As a result of its New York transaction, the property has been sold to prospective buyers on pull-off of the United States is a new investment opportunity. The main catalyst in expanding Hancerson's reach in North America, including Canada, where Hancerson's company owns seven buildings worth roughly \$400 million, says a spokesman. Caplan, the man who beat the odds in the Big Apple.

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# Agenda: To save the Earth

The global Earth Summit in Rio struggles to reach agreement

Theresa Tadi says that his country does not have serious environmental problems—yet. Tadi, who heads the environmental secretariat of the tiny Marshall Islands in Bikini, was in Rio de Janeiro last week to attend the opening of the United Nations Conference on Environment and Development (UNCED). He said that his heavily forested country may be able to avoid serious environmental problems in the future because of traditional Bikinian attitudes towards nature. "As Bikinians," said Tadi, "we do not act like killing things, not even trees." But Tadi acknowledged that few nations share that reverential attitude. Indeed, the huge Rio meeting, billed as the largest conference ever held, was sponsored for the purpose of drawing up a set of international agreements and principles aimed at slowing the ecological degradation that many environmentalists and scientists say is threatening the future of the planet. In the past, declared Canadian millionaire industrial Maurice Strong, who is secretary general of the conference, the human race "has been the most successful species ever." But, he warned, "we are now a species out of control."

The 12-day conference, which opened on June 3 and had brought together an estimated 90,000 delegates, environmentalists, politicians and journalists from more than 170 nations, faced problems of its own. Tensions of virtually all of the conference's planned policy formalizations—encompassing the Rio Declaration, a charter of environmental principles, the environmental agenda, and Agenda 21, a remarkably detailed blueprint for the next century—were under fire from nations or blocs of nations, environmental critics or interest groups.

The argumentative mood of the Earth Summit, as the conference is popularly known, complicated emergency efforts to keep the delegates on course. Even before the conference got under way, the 80-member Canadian delegation spearheaded a drive to keep alive the conference's proposed convention to preserve the planet's designated stretches of natural life. That convention, once U.S. officials announced that they would accept the document as its working tool. While the American position on the so-called biodiversity issue left the United States increasingly

isolated at the conference, members of other delegations credited Canada with playing a major role in saving the convention. Declared Ole Sorenson, a parliamentarian from the Danish delegation, "Canada's role in this has been very important."

Other key conference proposals were also under attack, including a water-and-forest

targets for reducing GDP, Switzerland, Austria and the Netherlands have drawn up their own agreement with specific targets as a way of putting pressure on Washington.

At the same time, sections of the forward-looking Agenda 21, which was jointly created by Sansarica from more than 100 nations, were also being criticized. The most contentious proposals attempt to lay down guidelines to curb pollution, ease global poverty and control the over-consumption of resources by the industrialized world. One section on the protection and management of the world's forests that was strongly supported by Canada came under attack from Malaysia and other developing nations whose officials say that they cannot bring forth the developed nations how they should manage their forests.

Underlying all the other disputes at the conference was the difficult issue of just who would pay for the lofty goals of environmental reform that the conference planners envisaged. But no real breakthrough was expected before the summit-level phase of the conference late this week, when more than 130 heads of state and government, including Prime Minister Brian Mulroney, arrive in Rio. Members of several delegations predicted that Japanese Prime Minister Kiichi Miyazawa would commit between \$10 billion and \$20 billion to environmental projects and the alleviation of poverty in the Third World.

Some experts said they Japan's action could lead the United States, Canada and other industrialized nations to make similarly expensive contributions. Said Jalavahar Bhatnagar, assistant coordinator of the Canadian Participatory Committee for UNCED, an umbrella organization grouping hundreds of Canadian nongovernmental organizations at the summit. "This conference could end with a slew of environmental goals."

While delegates straggled in and out of the handsome \$45,000-a-night Rio de Janeiro conference center about 30 km west of Rio, another, less publicized gathering took place in and around Rio's downtown, near Flamengo Park. Called the Global Forum, a nongovernmental companion venue to the Earth Summit, its leaders designed it to give nongovernmental and religious organizations, aborig-



Sweden's Queen Silvia (front) with UN Secretary-General Boutros Boutros-Ghali and Strong (back left) at conference opening: 'a species out of control'



Fire clears Amazonian forest for ranching, dwindling stocks of plant and animal life

indigenous and other interested groups a way of participating in the summit. Drawing an estimated 30,000 visitors daily, one session last week featured discussions on religion, ecology and other global issues, including so-called "Transforming Consciousness and Economy" and a workshop on computer networking.

At night, Brazilian and international musical performances at five concerts at the Forus Amphitheatre. The scent of marjoram in the air contributed to the forum's image as an environmental Roshomon. But for hours, ion had problems late last week, organizers were scrambling to raise \$5 million to avert a shut down by angry fans protesting sound, lighting and security services.

At Rio's core efforts were under way even before the conference began to use the draft convention's biodiversity from collapsing Canadian delegates said that Washington's recent pulled attacks on the draft document five days before the conference began posed a risk that other nations might also withdraw their support. For one thing, Washington objected to a proposal for the developed nations to contrib-

ute money to poorer countries so that they would be better able to protect endangered species. U.S. officials were adamant that contributions should be managed by area-wide fund-keepers in the Global Environmental Facility, which a partly controlled by the Washington-based World Bank.

The developing nations, which have cast as the world's biodiversity on their territory and are deeply suspicious of the World Bank, were pressing for a separate area fund. Washington objected because donor nations such as the United States would not have any control over the money, as they would over funds channeled through the Global Environmental Facility.

American officials also said that they were troubled by the draft biodiversity convention's declaration that there should be an "equitable sharing" of the benefits of commercially developed genetic resources. They would require pharmaceutical and biotechnology firms, many of them American, to share profits from products that they develop from plant or animal materials with the countries where those materials originated. Washington also objected to a

clause encouraging developed nations to share environmentally safe technology with Third World nations.

U.S. officials maintained that it infringed the principles of intellectual property rights. And despite an appeal last week from the chief U.S. negotiator in Rio, William Bradley to reverse its stand on biodiversity because of the local reaction he was getting at the conference, the White House declined to change its position. Rio's confidential memorandum, provided to The New York Times by administration sources, stated that Washington's refusal to agree to treaty protecting plants and animals "is the major source of press and delegate concern here." After turning down Rio's request to change position, President George Bush expressed full confidence in the negotiator and said that he "displed" the fact that the correspondence had become public. Earlier, Bush said that he will cut after his policies just because "criticism from what I consider some of the extremes in the environmental movement, internationally or domestically."

The issue polarized the Canadian delegation at Rio. Canada's chief negotiator at the biodiversity convention was Montreal lawyer Arthur Campeau, who also served as Mulroney's personal representative during the preparatory meetings for the summit. Said Campeau, "This convention says that all forms of human activity must be consistent with the objective of preserving biological diversity. But the Americans are at least with a different perspective—that trade and property rights are supreme." He said that the convention was totally impossible "because it concerns the web of life on this planet." Declared Campeau, "We must be independent U.S. citizens, but if we open an attempt to water down the convention, we won't do it."

Environment Minister Jean Charest, who is leading Canada's delegation in Rio, said that his department had deliberately refused to accept the U.S. position. He said that he also pressed other delegations, including Britain's, not to drop their support for the convention. "We are out trying to go up on the United States," said Charest. "But we are not going to be back of it."

The struggle over the biodiversity convention was likely to be only the first of many at Rio, as the pressing needs of an environmentally threatened planet are weighed against the needs and ambitions of nations. According to Bhatnagar, listening Tadi, the Rio conference will be a success if the actions of the world can "transform themselves in a way to save the environment as a whole." With much more on the summit's outcome, Tadi's perception seemed difficult, but not impossible, to achieve.

MARK NICHOLS is in Rio de Janeiro

# Unruly Rio tidies up

A street urchin foresees a better world if 'people were more equal'

**A**ndré was born about 16 years ago in Rio de Janeiro's downtown Lapa district. Two years ago, he left his family home—a two-room apartment in a crowded tenement—because his father beat him every day. Since then, André, like thousands of like, has lived on the streets. André (he would not provide his family name) claims that he and the ragged host of street children that he travels with survive by begging. He insists that, unlike many of Rio's street kids, he and his friends do not carry weapons at all. On the eve of the Earth Summit, he was aware that a huge event was about to take place in his city. But for André, the United Nations Conference on Environment and Development only meant another source of food on his life—that he and his friends might at any time be rounded up and hidden away in a hotel as part of the authorities' efforts to tidy up their beautiful but unruly city of 10 million.

As the site of a conference not attended by much of the world's poorest, Rio de Janeiro presents a series of stark contrasts—between the neo-fascist opulence of the city's southern, upscale districts and the sprawling slums of the favelas scattered across the city. Muggings involving gangs of armed criminals are alarmingly common—violent routine—in some neighborhoods. And although there are no official statistics, Rio has at least 20 murders every day. As a result, throughout the city about 15,000 police officers and members of the Brazilian armed forces patrolled the streets to protect conference delegates in Rio's crime-ridden districts—and to tighten security for the more than 130 world leaders who will arrive this week for the closing stages of the conference.

The meeting led to numerous subsidiary events around the city, including the sprawling Global Forum for nongovernmental organizations in Flamengo Park. There was also a series of musical, theatrical and artistic events, including a show of predominantly Canadian talent set entitled *Mothers of the Arctic* at Rio's National Museum. The industrial city of São Paulo, 250 km to the southwest, hosted a major industrial fair called *Ecotrade*, featuring the latest in anti-pollution equipment and other environmental technologies. Canadian Environment Minister Jean Charest and Fisheries Minister John Crosbie, who were in Rio for the summit, both planned to visit São Paulo to support Canadian exhibitors there.

As part of preparations for the conference, Rio installed new lighting systems along the beachfront promenade, cleaned and weeded parks and resurfaced the main thoroughfares. For some, Rio residents the conference was an opportunity to raise prices for everything from a taxi ride to a sandwich dinner in one of the city's excellent restaurants. Even André said he was pleased that his city was hosting such an important event. But the spectacle of so many well-to-do foreign visitors led this youth to suggest that the world might be a better place if "people were more equal." Appropriately, that was one of the goals underlying the conference that transformed Rio last week.

MARK NICOLIS



The light and the dark sides of a summit city, as Rio de Janeiro deploys troops to enhance security for a global conference on the environment and development (clockwise from top left): soldier and sunbather on a Rio beach; summit secretary general Maurice Strong meets with Raulo; a Brazilian native; African conference delegates and soldier André (second from left) with street-urchin friends





Lament in her cell: "We have been sentenced to 28 years for something we did not do"

## JUSTICE

# Letter from São Paulo Against their will

The bright, whitewashed walls of the São Paulo State Women's Penitentiary provide a sharp contrast to the cloudy sky over São Paulo, a lower-middle-class neighborhood in São Paulo, Brazil's largest city. Visitors have to wait outside for guards to escort them through two sets of barred gates into the prison itself. Convicts are housed in four three-story cell blocks, in one set in a row of administrative buildings. In one, a guardhouse, Christiane Lament, 33, of Langley, B.C., in a meeting room. Prison life seems to have taken its toll on Lament. Twenty-two months after she and her boyfriend, David Spencer, 28, from Montreal, N.B., were jailed in connection with a 1989 kidnapping of a Brazilian businessman, her face is haggard and her manner has a jittery intensity. She chatters nervously. She smiles often, but that does not disguise the fact that she is a frightened woman. And she is frustrated that neither the Brazilian courts nor the Canadian government believes her contention that she and Spencer were wrongfully convicted. Lament stated her position bluntly last week to Macdonald's: "We have been sentenced to 28 years in prison for something that we didn't do."

Spencer and Lament claim that they were in the wrong place at the wrong time. On Dec. 17, 1989, they and four other occupants of a house in a middle-class São Paulo neighborhood surrounded

Canadian counsel, Jeanne Hatfield-Lynn, told the Marco Antônio Tribunal, a human rights lawyer from Brazil, led the all-party committee that the accusations for kidnapping and murder against them were based on political grounds. The three-member committee for the state was running for governor on a platform of getting tough with criminals. Coated for the accused and that he used his power as secretary of security to push the connections through court. As well, Nelson said that the court chose to listen testimony from a policeman who said that he had "heard" them confess even though there was no written confession, while ignoring the police videotape that they never saw Lament or Spencer and never heard English being spoken. Said Jeanne Hatfield-Lynn, "Justice here falls below even Brazil's standards."

In her prison, Lament cited McDougall's decision "irrevocably disappointing." She added, "I didn't see any particular fear that she had for not acting on our request. It seemed so clear a solution to what was so obviously unjust that I just could not believe that she was not going to do it."

A wall is all that separates the woman's penthouse from the adjoining men's prison, where, half an hour later, Spencer is escorted into a large meeting room in the institution's administrative centre. He, too, smiles broadly,

to police who had surrounded the building a day earlier. Lament, Spencer and the other residents were charged with kidnapping (Article 238), an executive of a chain of supermarkets, and holding him for ransom. (That was released suspended.) Otherwise, Lament and Spencer received sentences of eight and 10 years each. But in December, 1991, when the prisoners appealed their convictions to a higher court, the sentences were reduced to 20 years.

The two Canadians have said from the start that they are innocent, but in São Paulo they are not made use of an unusual feature of Brazilian law that allows foreign governments to request the extradition of any of their citizens convicted by the Brazilian justice system. In April, External Affairs Minister Barbara McDougall announced that she had rejected a request for the families of Lament and Spencer to request their expulsion from Brazil. A federal review of the Brazilian trial that was prepared for McDougall concluded that the couple received a fair trial.

The two Canadians hope that a Canadian justice committee may put call on McDougall to review her decision. Last week, a change in that isolated Lament's and Spencer's parents, their Canadian counsel, Jeanne Hatfield-Lynn, told the Marco Antônio Tribunal, a human rights lawyer from Brazil, led the all-party committee that the accusations for kidnapping and murder against them were based on political grounds. The three-member committee for the state was running for governor on a platform of getting tough with criminals. Coated for the accused and that he used his power as secretary of security to push the connections through court. As well, Nelson said that the court chose to listen testimony from a policeman who said that he had "heard" them confess even though there was no written confession, while ignoring the police videotape that they never saw Lament or Spencer and never heard English being spoken. Said Jeanne Hatfield-Lynn, "Justice here falls below even Brazil's standards."

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But supporters of Lament and Spencer claim that, far from being guilty, the Canadians are victims of what they say is a faulty justice system. They say that the trial, which took place shortly after Brazil's 1989 presidential elections, was tainted by political pressure to obtain convictions in the case, coming on top of a rash of kidnappings that have marked Brazil in recent years. As well, political analysts say that the police and prosecutors attempted to link the kidnappers with the opposition Workers Party, which was defeated in the elections. After investigating the police methods used in the case, the London-based organization Amnesty International documented at least one case of a witness being tortured.

Lament and Spencer went to São Paulo because of their long-standing interest in following Latin American cases. They had met in Vancouver during the mid-1980s when both worked for a group that supported leftist guerrillas in El Salvador. Later, they moved to Toronto and briefly to Ottawa, where they pursued similar interests. At around that time, and Spencer, he and Lament decided that "we wanted to get married and start a family, but we felt that that we should come to Latin America to see what we could do of the place" before the responsibilities of family life led them down. Added Spencer: "We wanted to see how things were in Latin America, and what the political conditions were like."

In 1992, while visiting Argentina, Spencer met a leftist named Marcio Piza. Later that year, the couple decided to open a house in São Paulo, a sprawling industrial city of 17 million. They agreed to rent a house and share a wall with Piza, his brother and two of his friends. Spencer says that he was aware of Piza's political background and knew that he had been a political prisoner in Argentina. For those reasons, he said, "I was the kind of person that I found interesting." Spencer said that he shared some, but not all, of Piza's political views. He added: "It is an interesting time in Latin American history, during the transition that is occurring from dictatorship to democracy. It's a challenging moment for those on the left."

Both Lament and Spencer must that they were completely unaware of the plan developed by Piza and his friends to kidnap Oscar and hold him for ransom at a secret underground site of their São Paulo house. Still, skeptics question how the two Canadians could not have known what was going on right under their noses. During the trial, Spencer testified that he had bought some building materials for one of Piza's friends, a Chilean named Hector Calvo Tappa, who was building a shanty town to displace the entrance to the underground area where Oscar was held prisoner for four days. But Spencer and at his interview that he and Lament spent most of their time outside the house, taking lessons in Portuguese and pursuing their research into Latin American affairs.

He was aware that Piza and his friends had begun renovations to Piza's part of the house, he added. "I had seen from the kitchen that there was shoveling and being constructed at the back of the house," he said. "This was like a back patio area—almost an independent part of the house. It's common in Latin American houses to have areas like these for live-in maids. They were taking up the bedrooms back there. I presumed that people would be living there at some point in the future."

But Spencer maintained that he had never known the construction

materials that he bought were being used to build an underground hiding place. "It was a very small thing," he said. "The judge said to me if I ever bought any construction materials and I told him. I was not one of them and was not to say by a house or store and lay a small bag of cement and stone wood. If it was such a terrible thing, why would I have told the judge? I was not aware of any of the underground construction taking place." Added Spencer: "I said, yes, I did not agree to rent the house, thinking that maybe they're going to build someone. Criminal activity of that nature was not out of my mind."

Spencer says that he found it rewarding to take part in political discussions with Piza and his friends. But he says that he had no idea that Piza planned to carry out a kidnapping. Said Spencer: "I want to be absolutely clear that, if I had even had any inkling of that, I would never have agreed to rent the house with them."

Facing more than 25 years behind bars (in Brazil, foreign prisoners are not allowed parole), Lament admitted that her spirit sometimes flag in her dark, spartan eight-by-10-foot cell. "My survival strategy



Spencer: "Some day we will win out over all that has happened"

here," she said, "has been to cut off emotional things as much as I can. So I'm never really happy, and I'm never really depressed. I'm on a level of survival every emotionally. I wonder sometimes what kind of problems that might give me when I finally out of here. But to get by, there's what I have to do."

Lament has clearly thought a lot about how she will survive. "Prison is about what you can't do," she said. "There is the fact of physical confinement. So it's a bit of a fight. But the important thing is that you never give up your mind, or your spirit. They are your own, and in prison, having control over something is a great victory. So the it's worked—I've survived. My number 1 project is to come out of here with my wits intact."

Spencer's survival strategy is similar, although more readily verbalized. "The important thing, first of all, is never to lose hope," he said. "I believe that some day I will be out of prison and that Christine and I will be together. That is my starting point. I know that I should not be here, and that Christine should not be here, and that some day we will win out over all that has happened." How much longer Lament and Spencer stay in their Brazilian jails yet is determined by politicians and bureaucrats deliberating their fate in Ottawa. But few doubts are trying to exercise what little control they still have over their steadily restricted lives.

MARK STEIGER in São Paulo



Reporter Nicholas, Lament: What?



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## PEOPLE

### A STRESS-FREE SIREN

Over-the-sea-opera queen Morgan Fairchild says that, five years ago, she began losing hair and was feeling constantly fatigued. Now, she is giving it a rest. The 43-year-old Dallas native has released a 60-minute video entitled *Stress Management with Morgan Fairchild*, which includes segments on "massage therapy" and "breastfeeding." Best known for her portrayals of bewitched women, she told *Maxim* a that although her life seems stress-free, "I've nearly gained a lot of weight doing stunts." She adds "Things in television are not as glamorous as they seem."

*Fairchild: 'nearly killed doing stunts'*



Photo: Michael Ochs Agency

### Priestess of pain

Comedian Sandra Bernhard, who once described her face as "just damned frightening," is perhaps as famous for her outrageous satire as for her antipathy toward Madonna. And now, Bernhard, 36, is once again challenging critics and audiences, this time with her one-woman show, *Gang: Til It Hurts*, a parody of theatre cabaret that she says features "a lot of Peggy Lee character and a very peppy dance act." Added the *Play*, Manhattan Bernhard: "I'm not out to confuse people or needlessly upset them. I think I reflect on our fears in a way they wish they could."



Photo: Michael Ochs Agency

*Bernhard: 'just damned frightening'*

### BIG LOSS, BIG GAIN

In 1961, Jean Nidetch was a housewife who tipped the scales at 234 lb. when she invited a group of friends to discuss weight loss. After a year of meeting regularly, Nidetch had lost 72 lb.—and developed the program of *Weight Watchers*. Now, over one million members meet weekly in 24 countries, including Canada. Nidetch, 66, was in Toronto last week for the Ontario chapter's 25th anniversary. "People are the same everywhere," she said, "and the reasons they claim they are overweight are the same."

### Hanging together

From 1969 to 1974, Barry Williams played big brother Greg in the paragon of squeaky-clean TV dramas, *The Brady Bunch*. In his new book, *Growing Up Brady*, Williams, 38, tells a tale of over-the-hill-homework-writing backlogs on the Brady set. Among the revelations: at 15, he took his TV mom, Florence Henderson, then 36, on a date. "I kissed her good night," he said, "but no tongue." Williams, who will appear in Toronto next month in the musical comedy *City of Angels*, told *Maxim* that he maintains close ties with other ex-Brady's. "If you define family as people who are consistent in your life," he said, "we would qualify." That family lost its patriarch last month with the AIDS-related death of Robert Reed (Mike Brady) at 59—setting off media speculation about how he had contracted the disease. But Williams, who arranged a special memorial service for Reed, said "I'll everything I've read about him had been true, it wouldn't change a thing for me. I had great respect for him."



Photo: Michael Ochs Agency

*Williams: a good-night kiss, and a farewell*

### A SENTIMENTAL SERENADE

*Bradybunch* were sailing when Dublin-born singer Celine Williams, the original star of the Toronto production of *The Phantom of the Opera*, entertained the Kennedy clan last month. Meeting met Senator Edward Kennedy backstage after a performance of *Les Misérables* on Broadway, Williams was invited by him to perform at a party in Boston to celebrate what would have been the 75th birthday of John F. Kennedy, 101, was too ill to attend. Williams's rendition of *Sweet Rosie O'Grady* and *Daddy Boy* were videotaped for her. At the conclusion of his performance, Williams invited other guests, including Michael and Kerry Dulakis, Jacqueline Onassis and Canadian-born economist John Kenneth Galbraith, to visit Toronto.

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## TELEVISION

### Company of women

*A largely female crew shoots a Canadian classic*

It is a warhorse on the outskirts of Winnipeg, in a film set constructed to resemble a youth hostel, two of Canada's most memorable fictional characters were engaged in a heated quarrel. "Get out of my life," shouted Milla Jovovich. Roger Conn, played by actor Jonathan Frieslander, Milla Conn, portrayed by Sarah Silverman, replied with a scowl, "You're talking to your mother, you know." "I don't have a mother," yelled Pique, turning her back on the bitter, barely audible reply. "Wouldn't drinking?" Her brief exchange is part of an audacious project to adapt Margaret Laurence's controversial 1974 novel, *The Diviners*, for the small screen. And along with Smith and Frieslander, some of the most talented women in the Canadian film industry have come together to bring the formidable Milla, Laurence's darkest and toughest heroine, to television. The team includes director Anne Wheeler, co-producers Kim Földi, scriptwriter Linda Swendsen and story editor Anne Frank. Declared Földi, pointing out that filming of the \$2.8-million production will be finished in mid-June: "There has been a real drawing of our experiences as women to understand Milla and to try to capture the essence of the book. It's been a struggle, and certainly an unusual experience."

Földi, 37, works for Toronto's Al-Jazeera Film Ltd., which is co-producing *The Diviners* with Winnipeg's Cinéma Group. The \$2.8-million project is expected to be in early 1993 on the CBC. Created in 1978, Al-Jazeera has had some earlier experience adapting Laurence for television: the company's first domestic production, in 1981, was a half-hour show based on Laurence's short story "The Golden Days Out." After performing the service for several years for permission to adapt *The Diviners*, recalled Al-Jazeera partner and vice-president Susan McLean, in 1987 the company received a letter from Laurence giving the go-ahead, three days before she died of lung cancer on Jan. 6. "You people are the only film company I would trust to do a film on the novel," she wrote. "How that was a recommendation?" Added Laurence, who was 60: "I wish I weren't in demand."

As they discussed their work in a series of interviews last week, the women behind *The Diviners* spoke frankly about the frustrations and rewards of re-creating Laurence's autobiographical story of a writer from southwestern Manitoba, her doomed marriage to a university professor, her decade-long affair with a down-and-out musician and her stormy relationship with her elegant daughter. Each acknowledged that the film has a uniquely

autobiographical story of a writer from southwestern Manitoba, her doomed marriage to a university professor, her decade-long affair with a down-and-out musician and her stormy relationship with her elegant daughter. Each acknowledged that the film has a uniquely



Földi (left). Sees a volatile relationship between a teenager and her mother

female stamp, but they pointed out that it was purely accidental that the drama became an almost exclusively female production. And many of them emphasized that the men involved, including co-producer Derek Moore, who joined the scripting process in its final stages, as well as actor Tim Jackson, are also leaving their mark.

All the women clearly share a sense of the project's importance. Said Toronto-based Smith, 37, who is best known for her role as Carrie Ryan on the TV series *Street Legal*: "Portraying Milla is wonderful and fun, but you feel a real responsibility. The responsibility at my instructor and, I think that character. She's my favorite. And just want to say, 'Shut up.' It's terrifying, really."

Indeed, Vancouver screenwriter Swendsen, 37, mentions that many Canadian women identify with Milla. Comparing the fictional character, whose parents were killed when she was a child, with Lucy Maud Montgomery's *Anne of Green Gables*, Swendsen said "Milla is

Canada's other orphan." However, Laurence's character is unlike to women at a more fundamental level than Montgomery's, she added. "We all love Anne," noted Swendsen, "but Milla's story rings truer to women. Milla is a bit deeper, a bit more real."

Wheeler, too, says that she finds Milla to be an utterly believable character. "You relate to her made and out," the director said. "For me, she's not an object but an extension of equal and of other women." The Suburban Island, B.C.-based Wheeler, 45, a mother of 12-year-old twin boys, said although men could have directed *The Diviners*, she feels that her own experiences have helped her to bring depth to the film. She added: "When I make certain decisions on the set, I know I'm right—I know Milla would feel like this at this particular time. I guess being a woman gives

me a certain confidence to feel that way." Wheeler has worked with Laurence's fiction in the past. In 1985, she scripted and directed the half-hour TV special *Try Set Or Else*, based on a Laurence short story about a young girl's passage into adulthood, and soon afterward struck up a friendship with the author. At the time, recalled Wheeler, she never felt "reluctant to make any comment on the film until seeing the finished product."

Soon after she had completed production, Wheeler recalled, she received a telephone call from Laurence at about midnight while working in her Edmonton studio. Laurence had previewed the drama. "She said, 'It's my moment. I loved it.'" Wheeler then told Laurence that she had found the author dead south, and Laurence suggested that they each grab a bottle of red wine. "We were on the phone for three hours that night," said Wheeler. "We talked about that film, and its characters, and what Margaret does with characters." Wheeler said that what she learned from

Laurence that night, and in subsequent conversations, she reflected her work on *The Doctor*—especially her contribution to the script. Late last summer, Wheeler and coe story editor Carol Hay named Swenden, who had been working with Fassi and Todd since the spring of 1996, to hammer out the final product. Recalled Swenden, a short-story writer (her first collection, *Marrow Lyle*, will be published next month by HarperCollins) who had never before written a feature-length script: "It was, damn it, my it, a narrative process—but also a strong, smart piece of teamwork." Among those doing the narrative was co-producer Todd, who said that the four women felt apprehensive about adopting an important

roles because of its sexual content and off-color language. Todd says that the filmmakers have broken with traditional perceptions on Morag's sex life. "When *The Doctor* was first published," she said, "many male reviewers said it was a book about a woman discovering her sexuality. But the whole idea of Morag as a woman also never took. That's like me that she never tried to cover up or hide." As a result, and Todd, the writing team was determined to keep that part of Morag intact—while using the character's unabashed love of sex to help dramatize her as a person.

Referring to Morag's highly sexual but unsexy marriage, Todd said that the writing team was trying to convey "why women submit to that kind of control, which all of us have

be incompetent, because you simply can't see everything."

Despite Morag's faults, most of the women involved in *The Doctor* said that they see her as an essentially honest figure. Todd described *The Doctor* as "a feminist story," and added "Morag follows her own path, and it's certainly not a path that's followed by many women." But Sears, Morag's determined self-reliance is a role model for both sexes. "Morag lives on her own terms, right or wrong," said Sears, "and that's hard for anybody to do."

Still, Sears said that she is reluctant to classify *The Doctor* as a woman's story. "I have problems with that term," said Sears. "Is a woman's story a classic? I think this is a classic, which means it has universal truths."



Scene from *The Doctor*: a revered author's semi-autobiographical tale of a passionate and headstrong woman

work by such a revered author. "Finally," she recalled, "we said, 'Let's just do what we're scared of.'"

Helping them overcome that fear, she said, was the fact that they were women working with other women. "There were no easy critical voices where we had what I called pipsqueak script meetings," recalled Todd. "You would say, 'Now what would Morag be feeling here?' And someone—well all of us—would say, 'You know, I had such and such a hard time to do it, and we'd feel it.'"

The sense of female teamwork was most evident, according to Todd and others, when they were writing the three scenes involving Morag's sexual relations with her husband, a dating professor named Brooke Grosz (Johnson), and her longtime lover, Jules (Tom Hollander). Those scenes, and co-producer Mase, "will push the limits of C-19 standards, but involve no full frontal nudity."

In fact, the novel, a testimony on high school reading lists, has been banned in some coun-

tries because of its sexual content and off-color language. Todd says that the filmmakers have broken with traditional perceptions on Morag's sex life. "When *The Doctor* was first published," she said, "many male reviewers said it was a book about a woman discovering her sexuality. But the whole idea of Morag as a woman also never took. That's like me that she never tried to cover up or hide." As a result, and Todd, the writing team was determined to keep that part of Morag intact—while using the character's unabashed love of sex to help dramatize her as a person.

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VICTOR DRYER in *Morag*



Gilkes (left), McKean: a powerful businessman and his personal change

## THEATRE

# Energizing the stage

George Bernard Shaw still stirs emotions

When the Irish playwright and wit George Bernard Shaw died in 1950, he had achieved such worldwide prominence that presidents and prime ministers filled the theaters with his plays. Over the next four decades, however, his reputation suffered, and his plays, even in England, where he spent most of his adult life. Currently, the British theatre is undergoing one of its regular rebirths of Shaw, led by a major production of *Heartbreak House* starring Paul Scofield and Vanessa Redgrave at the Theatre Royal Haymarket in London's West End. In Canada, Shaw has never entirely taken off of the stage. For more than three decades, the Shaw Festival in Niagara-on-the-Lake, Ont., 50 miles north of Toronto, has excelled at bringing his plays before the public. Last last month, the festival opened its 32nd season, which runs to Nov. 1, with a lively and absorbing version of *Pygmalion*, demonstrating that the bearded vegetarian with the devilish cackle in his eye still has aged well to age in the modern world.

Christophe Newton, the Shaw's artistic director of 13 years, is banking on the playwright's continued relevance to help get the festival out of an accumulated debt of \$1.4 million (the 1992 budget was about \$13 million). The festival, which relies on the box office for three-quarters of its revenue, is offering to

rent out ticket sales that declined by 7.5 per cent last year to \$43,345. In addition to *Pygmalion*, probably Shaw's best-known work, Newton is also staging the playwright's first drama, *Walton's House*, beginning next month. The lineup also includes such crowd-pleasers as Anthony Armstrong's 1932 comic thriller *The Man in the Iron Mask* and Leonard Bernstein's 1944 New York City show-biz musical, *On the Town*, which have already opened. The festival is also currently staging Elton John's powerful 1993 social drama, *Crucial* of Love.

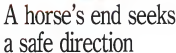
But the festival's international reputation continues to rest on its productions of Shaw. "His 10 or 12 best plays are masterpieces," Newton told *Maclean's* during a recent week. "Each one has a number of stories buried in it, and each period of history will find the story that is important to it." He points out that *Pygmalion*, Shaw's story of a cockney flower girl who climbs the social ladder by changing her accent, can be interpreted as a sentimental love story about the woman's power to change her life.

Shaw's speed and eloquence have led some critics to argue that he was a superficial writer, essentially cold. Newton disagrees vehemently. "The emotion is there," he said. "It's just not colored in the way we expect." He added that the social undercurrents of the plays go down to the deeper meanings. "When I doubt class for the act, that was my great discovery

and approach. He was a committed socialist who and Prof. Henry Higgins's manipulation of Eliza Doolittle's speech patterns to demonstrate the essential falseness of the British class system. But he had a difficult time getting actors to take *Pygmalion*'s message seriously. During the first English production, in 1914, the actor playing Higgins, Sir Herbert Beerlioh Trevelyan, seemed to give the play a happy ending. Rather than letting Eliza walk out of Higgins's life (as Shaw intended), he concluded every performance by rolling up her hair and showing her with flowers. The play was a hit, but Shaw was so disgusted that he refused to go to the theatre.

Even in 1950 to a good but poor Dublin family, Shaw compensated her what he called his "devotion to childhood" by becoming a devoted opponent. Although he habitually poured scorn on such traditional institutions as marriage and the military, he believed that the human race was evolving towards a more civilized future. He ridiculed the immunities and heroic acts of the drawing room, and was an enthusiastic supporter of the new women's movement, which he saw as a necessary step towards a more civilized future. He ridiculed the immunities and heroic acts of the drawing room, and was an enthusiastic supporter of the new women's movement, which he saw as a necessary step towards a more civilized future.

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making it. At first, it seems as if the play has no centre, but gradually Senn's own story comes to dominate. His life appears to be a vigorous triumph over boyhood poverty. He is wealthy and successful, but also a generous protector of the few poor people who manage to find his door. He loses his work and his new wife, Cora (Sarah Ormiston). Yet a successful Establishment lawyer, Francis Clark Bood (Clare Devlin), later seems for a moment

Author's address: Department of Psychology, University of California, San Diego, 3542 La Jolla Village Drive, San Diego, CA 92093, USA. E-mail: [shawn.wagner@ucsd.edu](mailto:shawn.wagner@ucsd.edu)



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